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Travel Industry Council of Ontario

2015 Annual Report Business Plan

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Chair of the Board of Directors / President & CEO:
Left to right: Michael Janigan, Richard Smart

MESSAGE FROM THE CHAIR

May 21, 2015

Honourable David Orazietti
Minister of Government and Consumer Services
6th Floor, Mowat Block
900 Bay Street
Toronto, Ontario
M7A 1L2

Dear Minister Orazietti,

On behalf of the Board of Directors, it is my pleasure to present the 2015 Annual Report and Business Plan of the Travel Industry Council of Ontario (TICO). This report details TICO's activities and accomplishments over the past year. TICO's mandate is to administer the *Travel Industry Act, 2002* on behalf of the provincial government and to protect consumers when they purchase travel services. Both the Board and TICO staff are committed to delivering a regulatory framework that serves both consumers and TICO registrants and promotes a healthy travel industry in Ontario.

Change has been the main theme of the past year at TICO. Michael Pepper, the face of the organization since its inception in 1997, retired in December of 2014. The Board devoted much of the year to finding a new President and CEO to lead the organization going forward. The Delegated Administrative Authority model is unique and the successful applicant for the President and CEO position needed to possess the skills to be able to work effectively with both industry and government. The Board is confident that Richard Smart possesses the required skills and will be able to build on the foundation of his predecessor to effectively lead the organization into the future.

I would like to take this opportunity to thank both Michael Pepper and Richard Smart for their efforts to ensure a smooth transition. The mandate of TICO – to maintain a fair and informed marketplace in Ontario where consumers can be confident in their travel services – is no easy task and having a knowledgeable and competent individual overseeing the organization is imperative.

There have also been changes to the Board composition over the past year. At the meeting held on December 16, 2014, Members voted to approve amendments to TICO By-law No. One. The seat held by the Canadian Institute of Travel Counsellors was eliminated and an additional elected at large position was added to the Board. The third elected position is open to an individual associated with either a Retail or Wholesale Registrant in good standing or with a Marketing Group of Registrants. The term of the elected positions moving forward will be for three years.

Looking forward, TICO has a sound Business Plan. Many of the priorities contained in the plan are consistent with past plans and continue to emphasize TICO as a progressive but fair regulator that demonstrates its values through open and responsive communications and regulatory practices. Enhanced transparency and efficiency continue to be TICO priorities. We are committed to working cooperatively with the Ministry to further consumer protection in Ontario.

Yours truly,

Travel Industry Council of Ontario

Michael Janigan
Chair of the Board of Directors

CHIEF EXECUTIVE OFFICER'S REPORT

EXECUTIVE SUMMARY

For my first report, I wanted to start by expressing my sincere appreciation to the Board of Directors for the opportunity to serve as TICO's President and Chief Executive Officer. It's both an honour and a privilege to serve as the Ontario Government's Travel Registrar for Consumer Protection related to travel purchases. Through the oversight and leadership provided by the Board of Directors, TICO's former CEO - Michael Pepper - and a strong, committed team, TICO has implemented one of the strongest Consumer Protection systems in the country.

This past fiscal year was another successful year for TICO and many registrants. Despite continued economic turmoil at home and abroad, the Ontario travel industry as a whole posted solid double-digit revenue growth over the prior year. While the industry continues to experience a small decline in the absolute number of travel agencies and travel wholesalers, the industry as a whole remains vibrant. The travel industry continues to experience growth in the home-based and independent sales channels while the increase in online bookings, and mobile, continues to accelerate. The overall health of the Ontario travel industry remains positive as is evidenced by one of the lowest Compensation Funds claims year in our history.

TICO's Consumer Awareness campaign was a great success this year. The "Wild Suitcases" commercial campaign during January and February resulted in a significant increase in Consumer Awareness of the TICO brand. Almost one-in-three (32%) of all Ontarians recognize TICO as Ontario's travel regulator. The rate of awareness increases to 41% among frequent travellers. Consumer awareness is critical to ensuring consumers understand their rights and expectations with respect to travel purchases, including the implications when a failure occurs. TICO remains committed to its Consumer Awareness campaign and is excited about the innovations planned for the future.

Financially, TICO had a solid fiscal year. Revenues were ahead of budget and well ahead of prior year as the revised fee for the Compensation Fund, effective May 1, 2013, was fully realized during the year. All other revenue streams were also ahead of budget and prior year with a notable increase in Education revenues. The TICO Counsellor, Supervisor/Manager and Combined Counsellor/Supervisor exams continue to exceed demand expectations as more and more applicants are responding to the requirement to be certified prior to selling travel services in Ontario. Claims against the Compensation Fund were amongst the lowest on record, while operating expenses were 5% below budget and grew a modest 2% compared with the prior year, inclusive of transition costs for the CEO role. TICO remains vigilant in managing expenses and seeking operating efficiencies. The net surplus achieved fiscal year 2014/2015 reflects a return to a more balanced financial outlook, one which I believe Ontarians and registrants have come to expect from management.

Moving forward, TICO remains committed to a strong regulatory environment for travel services throughout the province and to a robust travel industry. Industry models, however, continue to evolve, becoming more complex, more inter-connected and global every day. The continued acceleration of new technologies, acceleration of web-based solutions and the clear movement to mobility all present significant pressures on business and the present regulatory model. TICO is committed to evolving and meeting these new demands. This will require an effective and efficient regulatory model – a model based on prudent cost management while making the necessary investments to ensure long-term sustainability and overall achievement of TICO's important mandate to the travelling public. I encourage you to review TICO's Business Plan contained later in this report.

Our three year Business Plan and TICO 2020 paints a vision for the future where the regulatory model addresses the needs of all stakeholders by leveraging technology and embracing education as the key enablers of a sound regulatory system. As always, a strong and engaged team at TICO remains the foundation from which TICO will achieve its vision and business goals ensuring Consumer Protection in Ontario remains robust for years to come.

Yours truly,

Travel Industry Council of Ontario

Richard Smart
President & C.E.O.

For the purposes of this Annual Report and Business Plan, the following definitions apply:

Registrant: A registrant is defined as a travel agent or a travel wholesaler who is registered as a travel agent or a travel wholesaler or as both under the *Travel Industry Act, 2002.*

Travel Wholesaler: A travel wholesaler is defined as a person who acquires rights to a travel service for the purpose of resale to a travel agent or who carries on the business of dealing with travel agents or travel wholesalers for the sale of travel services provided by another person.

Travel Agent: A travel agent is defined as a person who sells to consumers, travel services provided by another person.

Non-Registrant: An organization which supplies travel services, but is not registered in Ontario including (but not limited to):

- travel wholesalers and travel retailers not located in Ontario.
- companies which sell to clients in Ontario by means of advertising, the internet or toll-free phone line, but where the home base or call centre is not located in Ontario.
- end suppliers (e.g. airlines, hotels, rail services, cruise lines), which may or may not be located in Ontario.

Travel Services: Transportation or sleeping accommodation for the use of a traveller, tourist or sightseer or other services combined with that transportation or sleeping accommodation.

MANDATE

TICO's mandate is to support the Ministry of Government and Consumer Services' mission of maintaining a fair, safe and informed marketplace as it relates to Ontario's *Travel Industry Act, 2002*. This mandate is accomplished by developing and fostering high standards in:

- Consumer protection.
- Registration, inspection, supervision and discipline of registrants.
- Consumer education and awareness.
- Investigating and mediating disputes between consumers and registrants.

In addition, programs will serve to support this mandate by:

- Promoting fair and ethical competition within the industry.
- Supporting a Code of Ethics.
- Maintaining and enforcing programs that provide for consumer compensation in specific circumstances.
- Promoting an expected level of education as a criterion for registration.
- Encouraging legislative and regulatory amendments aimed at enhancing industry professionalism and consumer confidence.

MISSION

To promote a fair and informed marketplace where consumers can be confident in their travel purchases.

VISION

Enhance confidence in the travel industry by becoming:

- A leader in developing an improved system of consumer protection.
- A model for a progressive, fair and firm administrator of industry regulations.
- A developer, promoter and advocate of good business ethics and harmonized standards in the travel industry.

VALUES

TICO will be:

- Fair, but firm in our conduct with registrants and consumers.
- Responsive and open in communicating with consumers and registrants, while respecting the business confidentiality of our registrants.
- Visionary in our approach to improving the Industry and industry practices, while remaining accountable to all stakeholders for the cost-effectiveness and practicality of solutions and initiatives.

Above all, TICO will be ethical in everything TICO does.

STAKEHOLDERS

TICO works with stakeholder groups including:

Consumers: to increase awareness of their rights and responsibilities, and those of the Ontario travel industry under the Act. TICO has a Consumer Advisory Committee to provide consumer consultation and input and to enhance TICO's understanding of consumers needs as it relates to the travel industry.

TICO Registrants: While TICO activities are focused on consumer protection, its clients also include the Ontario-registered travel retailers and wholesalers who fund TICO through registration fees and who pay contributions into the Compensation Fund.

TICO serves its registrants by justifying consumer confidence in purchasing from the Ontario travel industry. This is accomplished through:

- Ongoing services and special projects aimed at monitoring and ensuring compliance with the Act and Regulations.
- Making consumers aware of the benefits of dealing with Ontario Registrants.
- Enhancing industry professionalism.
- Providing consumer compensation and recourse in specific circumstances.
- Striving to ensure the Act and Regulation remain relevant to emerging issues.

Industry Associations: to harness their knowledge and commitment to ethical and oper: competition. The associations include but are not limited to:

- The Canadian Association of Tour Operators (CATO)
- The Association of Canadian Travel Agencies (ACTA)
- The Ontario Motor Coach Association (OMCA)

Government: which has delegated to TICO the responsibility for administering the Act and which holds TICO accountable for supporting its mandate of a fair, safe and informed marketplace.

SERVICES

The services delegated to TICO to provide are detailed below.

Registration

- Processing new applications – ensuring criteria and standards are met.
- Processing registration renewals – ensuring criteria and standards continue to be met, for example:
  - financial viability including compliance with financial criteria under the Act and Regulation
  - supervisor / manager qualifications.
  - other compliance issues (e.g. advertising standards).
- Registrant inquiries.

Consumer Protection

- Administering the Ontario Travel Industry Compensation Fund.
- Inspections:
  - financial reviews of registrants to minimize risk to consumers
  - checking compliance of registrants with advertising regulations, terms and conditions of registration and disclosure to consumers (e.g. conditions of booking)
- Compliance: employing administrative compliance measures to ensure that registrants correct deficiencies that have been identified.
- Investigations: investigating instances of suspected breaches of the Act, which could result in prosecution.
- Enforcement: suspensions, proposals to revoke registrations, laying charges under provincial statutes and referrals to criminal authorities.
- Consumer inquiries.
- Consumer education.

Complaint Resolution

- Resolving complaints:
  - between consumers and registrants
  - between consumers and TICO
  - between registrants and TICO
- Where complaints have not been resolved, providing information on other options.

The process is outlined in more detail on page 23.

Government Liaison

- Working closely with the Ministry of Government and Consumer Services for purposes of issues management, regulatory reform and matters of public interest.

Additional Responsibilities

In addition to the delegated responsibilities, TICO intends to increase the following:

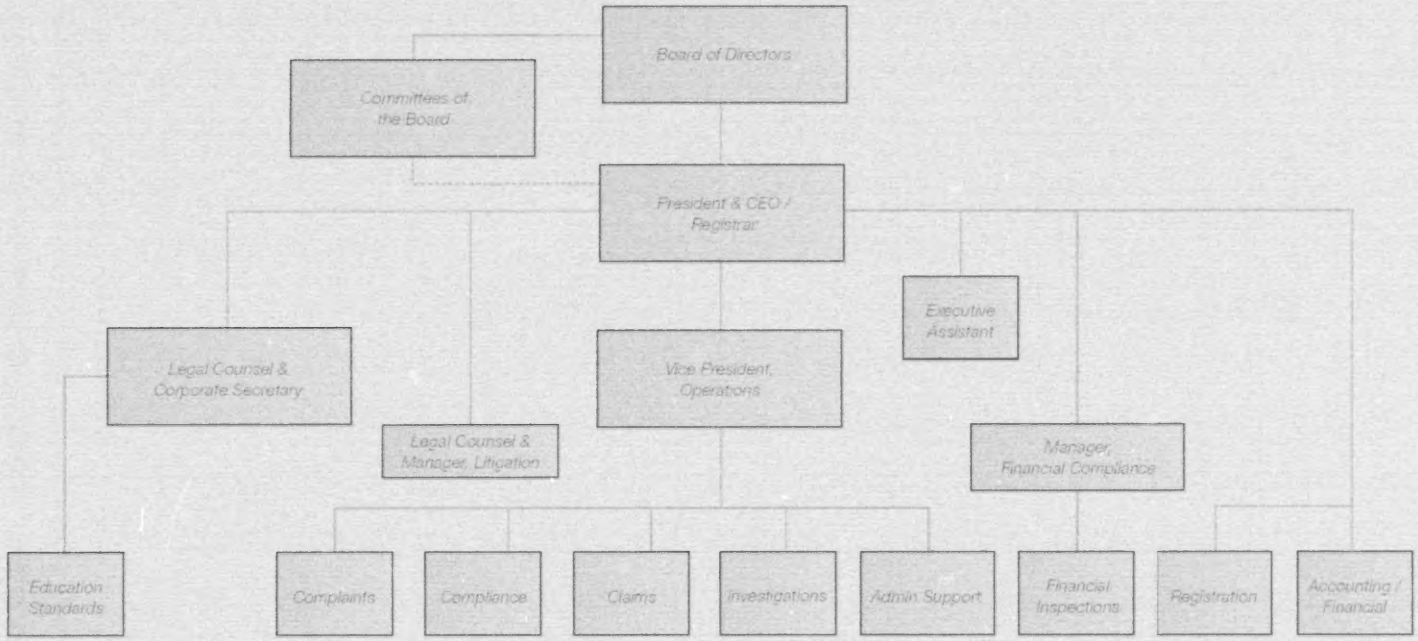
- Consumer education and awareness on the benefits of purchasing travel services from Ontario registrants and the inherent risks of dealing with non-registrants.
- Consumer and Registrant awareness with respect to the emergence of electronic commerce as it relates to the travel industry.

TICO Structure

Organization

TICO is a not-for-profit corporation financed through fees from its approximately 2,500 travel retail and wholesale registrants. The Ministry of Consumer and Commercial Relations delegated responsibility for the administration to TICO in June 1997. The *Travel Industry Act, 2002* (the Act) governs Ontario travel retailers and wholesalers and provides for the operation of a travel industry Compensation Fund. The Ministry of Government and Consumer Services (the Ministry) is currently responsible for the Act and Ontario Regulation 26/05 (the Regulation).

Organizational Chart



Governance

The TICO Board of Directors consists of fifteen members. There are three individuals appointed by the Association of Canadian Travel Agencies (ACTA), three from the Canadian Association of Tour Operators (CATO) and one from the Ontario Motor Coach Association (OMCA) and five appointed by the Minister of Government and Consumer Services. There are also three members that are elected by the industry at large. (See Appendix II)

More information on the qualifications for Directors is available on TICO's website at www.tico.ca.

Remuneration of Board and Committee Members (Per Diems)

TICO's by-laws provide for the remuneration of Directors. The Board has approved the following levels of remuneration, which is adjusted annually with the Consumer Price Index (CPI):

TICO's Remuneration Policy provides for the following per diem levels:

Board Meetings:	
Chair	$457
Vice-Chair	$360
Member	$294
Committee Meetings:	
Committee Chair	$294
Committee Member	$228
Statutory Director under the Act*	$10,739/annum (where Director is not an employee)
Deputy Statutory Director*	$5,370/annum (where Deputy Director is not an employee)

*As defined under the *Travel Industry Act, 2002*

The per diem is the amount payable for work periods in excess of three hours. If the work period is less than three hours, one-half of the established per diem is paid. Preparation time may be included in the calculation of hours. In addition, board and committee members may claim for travelling expenses such as mileage or accommodation for which set rates have been approved. The Remuneration Policy also allows board members spending over 2 hours in total for travel time to and from TICO, for the purpose of attending to TICO business, to receive the current per diem rate plus 50% of the per diem rate.

Travel Industry Compensation Fund

Background on the Ontario Travel Industry Compensation Fund

In 1975, the Government of Ontario passed the *Travel Industry Act*. This legislation provides the legal basis for the Compensation Fund and requires that every registered travel business in Ontario participates in the Fund. Section 50 of Part III of the current Regulation (O. Reg. 26/05) enacted pursuant to the *Travel Industry Act, 2002* states: "Every registrant shall participate in the Fund."

Management of the Compensation Fund

The Regulation relating to the Compensation Fund sets forth in detail the operation and management of the Fund.

Section 51 of Ontario Regulation 26/05 provides that the affairs of the Compensation Fund shall be administered and managed by the TICO Board of Directors.

Section 52(2) of Ontario Regulation 26/05 requires that TICO shall hold all money in the Fund in trust for the benefit of claimants whose claims for compensation the Board of Directors approves in accordance with this Regulation.

Section 73 of Ontario Regulation 26/05 allows the costs of administering the Compensation Fund to be paid from the Fund.

Fund Financing

The Compensation Fund is totally financed by Ontario registrants. The Payment Schedule requires registered travel retailers and registered travel wholesalers to pay a greater of $25 or 15¢ per $1,000 of sales on a semi-annual self assessment basis. These payments are to be filed with TICO within 90 days after the end of each fiscal half year.

Surplus Funds

The Corporation may invest any funds of the Compensation Fund, which are surplus to the immediate requirements of TICO in property in accordance with the *Trustee Act*.

Claims

The Compensation Fund reimburses customers of registered travel agents for eligible claims arising from the bankruptcy or insolvency of an Ontario registrant or arising from the failure of an end supplier airline or cruise line. The Board of Directors determines whether a claim or a part of one meets the requirements of the Regulation and determines the eligible amount of the claim. Claims must be submitted in writing to the Board within six months after the relevant registrant or end supplier becomes bankrupt or insolvent or ceases to carry on business. The maximum payout for claims arising out of an event is $5 million in total. The maximum payout per person is $5,000.

Claims may be filed against the Compensation Fund to provide the reimbursement of reasonable expenses incurred (transportation, accommodation and meals) to complete a trip where the travel services have not been provided as the result of the closure of a TICO registered travel retailer or a TICO registered travel wholesaler. Provided that the consumer purchased their original travel services from an Ontario registered travel retailer, trip completion claims may be eligible when the consumer's travel services commenced prior to the failure of the TICO registrant and the consumer is in destination and unable to receive the travel services purchased to complete their travel plans. Trip completion claims must be submitted in writing to the Board within three months after the relevant registrant becomes bankrupt or insolvent or ceases to carry on business.

The Director under the *Travel Industry Act, 2002* may direct payment out of the Fund of up to an additional $2 million where immediate funds and facilities are necessary for the repatriation and accommodation of customers of registrants who are outside of Ontario. When customers of registrants are preparing for immediate departure and have been placed in circumstances where funds are required to alleviate suffering or to protect the interests of the Fund, the Director may pay out of the Fund an amount sufficient to enable such departure, up to a maximum of $5,000 per person.

Appeal of Decisions

Claimants are entitled to appeal a decision of the Board of Directors to the Licence Appeal Tribunal. Decisions of the Tribunal may be further appealed to the Divisional Court of Ontario.

Financial Inspections

TICO operates a risk management programme, which includes financial inspections of registrants carried out under the direction and control of the Registrar, *Travel Industry Act, 2002*. The objective of the programme is to identify as early as possible any registrants at financial risk and to work with these registrants to ensure compliance with the Act and Regulation. Through early identification of registrants at financial risk, TICO's goal is to minimize potential claims against the Compensation Fund and disruption to consumer travel. The programme consists of an annual review of the financial statements of all registrants, a more frequent review of the financial statements of larger registrants and site inspections. The programme is proactive as TICO visits all new registrants within the first year of operation to ensure their understanding of the Act and Regulation and compliance requirements.

Financial Inspections Team:
Left to right: Sanja Skrbic, Timothy James, Maria Descours, Vera Nedbal, Anna Tse

TICO Committees (as at March 31, 2015)

Executive Committee (Chair: Michael Janigan)

- Manage emergency issues on an ad hoc basis.
- Interim support for CEO between board meetings.
- Review of large registrant closures.
- Set compensation and conduct performance review of the CEO.
- Participate in any CEO searches in accordance to the CEO Succession Plan developed by the Governance Committee.
- Make recommendations regarding composition and chairmanship of board committees.
- Participate in the orientation session for new board members.
- Participate in crisis management or incident management as required in accordance with the Communications for Major Issues Policy.
- In the event of a significant disruption of TICO's business operations, participating in implementation of the Business Continuity Plan.
- Conduct an annual review of the TICO Employee Code of Ethics.
- Oversee development and conduct an annual review of TICO's Business Continuity Plan.
- Review any staff complaints against the CEO.

Audit Committee (Chair: Jeff Element)

- Review internal controls operating throughout TICO.
- Review internal controls around fraud prevention.
- Review the appropriateness of accounting policies and review any proposed changes in accounting practices or policies and the resulting financial statement impact.
- Review the audited annual financial statements and make recommendations with respect to their approval to the Board.
- Confer with TICO's auditors as required to discuss their examination into the financial affairs of TICO and receive all recommendations and explanations which TICO's auditors wish to place before the Committee.

- Make recommendations to the Board with respect to the appointment and remuneration of external auditors to be appointed at each AGM.
- Periodically, review TICO's investment firms and their fees.
- Review the investment policy on an annual basis.
- Review quarterly investment reports and detailed quarterly financial statements.
- Review and provide advice with respect to the budget prior to presentation to the Board.
- As part of the annual budget process, review the Registration and Renewal Fees and the Compensation Fund Contribution Fees.
- Review insurance coverage annually.
- Ensure an IT Audit is conducted every three years.

Business Strategy Committee (Chair: Louise Gardiner)

- Review TICO's mission and vision on an annual basis.
- Develop TICO's business strategy and objectives.
- Produce TICO's Business Plan and monitor performance measures.
- Refer issues for legislative and regulatory review.
- Plan TICO's Consumer Awareness Campaign.
- Review and keep current TICO's policies with respect to privacy issues.
- Develop a plan to assess TICO's operational effectiveness and report findings.
- Explore alternate sources of revenue for TICO.
- Promote registrant engagement.
- Review E-commerce issues.

Complaints Committee (Chair: Paul Samuel)

- Review and resolve, as appropriate, complaints against TICO.
- Provide fair, transparent and accountable procedures for handling registrant and consumer complaints against TICO.
- Develop standards for handling complaints.
- Make recommendations with respect to TICO's complaint handling procedures.
- Review trends of complaints to determine if recommendations can be made to address the cause of complaints.

Compensation Fund Committee (Chair: Patricia Jensen)

- Review and recommend to the Board the payment of claims in accordance with Ontario Regulation 26/05.
- Review and monitor the status of appeals to the Licence Appeal Tribunal regarding denied claims.
- Develop and recommend administrative policies to the Board regarding the administration of the Fund.
- Review and recommend recovery procedures to offset the cost of claims.

Education Standards Committee (Chair: Mike Foster)

- Determine the curriculum for the *Travel Industry Act, 2002* Education Standards for travel counsellors and supervisor/managers and identify the type of information that should be covered in the education standards curriculum at each level.
- Oversee exam development and testing.
- Oversee the printing and distributing of the educational courses and the development of on-line versions of the courses.
- Consider equivalency options for Education Standards.
- Develop a communications plan for the delivery of Education Standards.
- Devise a plan to enforce the standards.
- Ensure the *Travel Industry Act, 2002* Education Standards are updated on a regular basis.
- Explore the feasibility of other educational initiatives.

Legislative & Regulatory Review Committee (Chair: Richard Vanderlubbe)

Recommend to the Board of Directors legislative and regulatory reform necessary to achieve TICO's business objectives. This includes:

- ensuring that any proposals for change are consistent with TICO's Mandate, Mission, Vision and Values;
- consulting with the Ministry of Government and Consumer Services ("MGCS") on policy and legal issues;
- considering the practical impact of any changes on all stakeholders, including consumers and registrants;

- ensuring submissions with respect to legislative and regulatory changes are clear, comprehensive and contain sufficient background and detail to facilitate informed decision-making;
- ensuring that any proposals for reform include a business case and financial analysis and consider any risk implications;
- securing and managing stakeholder input; and
- working with MGCS to move recommendations forward through the legislative process.

Governance Committee (Chair: Jean Hébert)

The Governance Committee is responsible for:

- Governance Model and Policies.
- Board Composition - Member Recruitment and Retention.
- Succession Planning.
- Board Education and Development.
- Board Evaluation.
- Develop and maintain TICO's Risk Management Plan.

Expanded Coverage Committee (Chair: Jeff Element)

- Assess the level the Fund should be maintained at to ensure adequate protection for consumers.
- Determine a fair and workable method to assess contributions to the Fund.
- Explore whether there should be higher financial requirements for entry to the industry.
- Identify potential models for compensation by examining different models from other jurisdictions.
- Conduct a comparative analysis of potential models against Ontario's current system.
- Identify best practices from the various models analyzed.
- Identify key areas of risk in registrant business practices.
- Consider steps that could be taken to reduce those risks.

Consumer Advisory Committee (Chair: Richard Smart)

- To provide the President/CEO with observations, advice and recommendations with respect to consumer issues.
- To monitor general trends vis-à-vis consumer complaints.
- To gather information on programs employed by other professions that are intended to increase consumer protection.
- To develop recommendations that will enhance consumer confidence and protection.
- To gather and exchange information on issues of interest and importance to consumers.
- To gather information on programs and/or implementation strategies for programs that will advance consumer protection.

BUSINESS ACCOMPLISHMENTS 2014/2015

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
Review and provide advice to the Ministry of Government & Consumer Services on potential changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05. **Goal:** Ensure that consumers are adequately protected by enhancing the effectiveness of the Act and the Regulation to eliminate any gaps in consumer protection, ensuring that the requirements are achievable by registrants.	Review overlap of the sale of travel services in conjunction with other business sectors and services.	Completed a review of special interest travel organized by individuals, businesses and sectors whose primary purpose is not selling travel but sometimes engage in activities of selling travel services that fall under the Act and Regulation and require TICO registration. Developed Special Interest Guidelines to assist those engaging in Special Interest Travel to better understand travel legislation and when TICO registration is required under the Act. Worked with the Ministry of Government and Consumer Services to identify business sectors engaging in the sale of travel services and potential gaps in consumer protection.
	Ensure the Act and the Regulation provisions adequately regulate the industry and provide consumer protection in light of changes to business models so that consumers are protected.	Worked in partnership with the Ministry of Government and Consumer Services to identify various areas of proposed legislative change to meet the changes to various business sectors and models, advances in technology affecting the travel industry to close potential gaps in consumer protection and maintain a level playing field.
	In partnership with the Ministry, consider enhancements to the consumer protection provided by the Compensation Fund.	Continued to work with the Ministry of Government and Consumer Services to further this initiative and provide information and feedback on various issues that are still under consideration by the government.
	In partnership with the Ministry, consider enhancements to the consumer protection provided by the Act and the Regulation and determine if there are opportunities to close the gaps through legislative, regulatory and/or policy changes to ensure appropriate consumer protection.	

BUSINESS ACCOMPLISHMENTS 2014/2015

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
Enhance TICO Education Standards Program. **Goal:** Improve and expand TICO's Education Standards Program to ensure that individuals have the knowledge they need to perform their roles in compliance with the *Travel Industry Act, 2002* and Ontario Regulation 26/05.	Enhance Education Standard Program study materials and resources.	Various enhancements and updates completed to the Education Standards section on TICO's website to ensure information is helpful to stakeholders.
	Improve the online Education Standards process to integrate with TICO database and systems to improve performance and oversight.	Identified and documented areas to improve operational efficiencies in the administration of TICO's Education Standards Programme. Commenced project planning to successfully integrate the online Education Standards process into TICO's systems and database.
	Explore the development of a new financial course and exam that focuses on registrant obligations in relation to the financial requirements under the legislation.	Commenced research and development of a new financial curriculum that focuses on registrant obligations regarding the financial requirements under the legislation.
Develop an Online Registration and Form 1 Process for Registrants. **Goal:** Improve TICO's registration and Form 1 processes to allow for online registration and payments from registrants that are integrated into TICO's database.	Commence development of an online registration and renewal process that accepts online payments as well as changes/updates to a registrant's registration record with TICO.	Commenced project planning to successfully implement an online process for registration and renewal process and Form 1 filings to allow online payments and changes/ updates to a registration record with TICO.
	Commence development of an online Form 1 filing and payment process for registrants.	
	Ensure that all online processes are integrated with TICO systems to ensure accuracy and improved productivity.	Integration of online processes with TICO systems yet to be completed.

BUSINESS ACCOMPLISHMENTS 2014/2015

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
Promote Registrant Engagement. **Goal:** Increase registrant understanding of TICO's roles and develop opportunities to foster more interaction and dialogue.	Provide registrants with opportunities to engage with TICO to provide feedback and a dialogue to promote a better understanding of TICO and its mandate.	Held 13 Roundtable sessions throughout Ontario to increase registrant knowledge of TICO, encourage engagement, dialogue and nurture relationships with industry stakeholders. Attended 8 industry events to obtain feedback from registrants and encourage registrant engagement in TICO's Consumer Awareness Campaign. Held an online "Count the Zebras" Contest to engage registrants in TICO's Consumer Awareness Campaign.
	Conduct information sessions across Ontario to engage registrants and agents, to increase their knowledge of and relationship with TICO and improve communication.	
	Conduct a registrant survey and use feedback obtained from the information sessions to identify gaps in TICO communications with registrants and identify opportunities to enhance understanding of TICO's mandate.	Conducted an online survey with TICO registrants to obtain feedback from travel agents on TICO's Consumer Awareness Campaign and whether travel agents are using the messaging and collateral materials to promote consumer awareness. Used feedback received from roundtable sessions and online survey to assist in the development of the Consumer Awareness Campaign strategy and overall communications with registrants.
	Improve registrant knowledge of the tools available to assist them in educating consumers as to the benefits of dealing with TICO registrants.	Communicated to registrants at roundtable sessions, industry events, TICO Talk newsletter and via eBlasts about the tools available to assist them in educating consumers as to the benefits of dealing with TICO registrants.
	Enhance communications with the industry by continuing to build TICO's email database.	Collected email addresses via TICO's online subscription process and from attendees at roundtable sessions and financial accounting seminars conducted throughout the fiscal year.

BUSINESS ACCOMPLISHMENTS 2014/2015

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
Promote Registrant Engagement. ***(continued)*** **Goal:** Increase registrant understanding of TICO's roles and develop opportunities to foster more interaction and dialogue.	Continue to conduct registrant seminars on accounting and financial requirements to assist registrants with financial compliance issues and develop other informative seminars with a focus on compliance related issues.	Conducted 7 seminars on accounting and financial requirements to provide registrants with a greater understanding of their responsibilities in relation to financial compliance. Used feedback received from attendee surveys to further develop and enhance the content of the accounting and financial compliance seminar.
	Introduce and foster relationship and communications between stakeholders and the new CEO.	Developed and executed a CEO Orientation Plan that included meetings and forums to provide the new CEO an opportunity to engage and commence a dialogue with various stakeholders including introductions to: • TICO Board of Directors and TICO staff. • Ministry of Government and Consumer Services Officials and Representatives. • Industry Associations. • Consortia Groups. • Registrants at Roundtable Sessions and various industry events. • Representatives from TICO service providers such as financial services providers, pension and benefit providers, auditors and other strategic partners. • CEO's of other Delegated Administrative Authorities. Special Edition of TICO Talk Newsletter produced to introduce new CEO to Industry stakeholders and platform to communicate the CEO's future vision for TICO. Future publications to include Message from CEO.

BUSINESS ACCOMPLISHMENTS 2014/2015

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
Proactively promote consumer awareness as to the existence of TICO and the consumer protection available when booking with registered Ontario travel agencies. **Goal:** Promote consumer awareness of TICO and the consumer protection available when booking with Ontario registered travel agencies.	Develop and execute an effective communications plan to educate consumers about the existence of TICO and the consumer protection available when purchasing travel services in Ontario.	Continued with TICO's Consumer Awareness Campaign by executing a strategic plan that included a concentrated airing of TICO's 30-second television commercial entitled "Wild Suitcases and an enhanced social media strategy to boost awareness of the consumer protection available when purchasing travel services in Ontario. More information about TICO's Consumer Awareness Campaign activities may be found on page 33.
	Enhance TICO's social media strategy to reach more consumers with its consumer protection messaging.	Developed and carried out a social media strategy to expand TICO's reach to more consumers by sending its consumer protection message by way of Facebook, Twitter and Linkedin postings. Strategy included the development of a blog section on TICO's website containing useful travel related information and tips for consumers.
	Conduct a consumer survey and use feedback obtained from the survey to identify opportunities to enhance understanding of TICO and its consumer protection message.	An omnibus survey of 2,000 Ontario consumers was conducted to measure the success of TICO's Consumer Awareness Campaign strategy. Survey results revealed an increase in awareness of TICO to 32% compared to 26% in the prior year. More Omnibus survey results measuring the success of TICO's Consumer Awareness Campaign may be found on page 33.

TICO PERFORMANCE MEASURES 2014/2015

As part of its efforts to indicate that it is promoting a fair and informed marketplace where consumers can be confident in their travel purchases, TICO publicly tracks and reports on the following Measures:

TICO PERFORMANCE MEASURE	TICO PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
CONSUMER AWARENESS AND EDUCATION: **TICO's Consumer Awareness Campaign ensures that consumers are aware of the existence of TICO.** **Goal:** To increase the awareness of the TICO brand among Ontario travellers.	Identify % of consumers surveyed who report that they are aware of the existence of TICO.	Of consumers surveyed in Ontario, 32% indicated an awareness of TICO in 2014/2015 compared to 26% in the previous year. Of consumers surveyed in the GTA, 39% indicated awareness of TICO compared to 32% in the previous year. Of consumers surveyed, 41% who travel frequently, 5 or more trips annually, indicated an awareness of TICO compared to 35% in the previous year.
TICO's Consumer Awareness Campaign ensures that consumers understand the roles that TICO performs and the benefits of booking travel services through an Ontario registered travel agent. **Goal:** To increase the percentage of consumers surveyed who identified at least one of TICO's roles correctly.	Identify % of consumers surveyed who could identify the roles that TICO performs.	Of the 32% of consumers aware of TICO: 44% of consumers surveyed understood TICO is Ontario's Travel Regulator. 42% of consumers surveyed understood that TICO assists with complaints against TICO registrants, compared to 48% in the previous year. 24% of consumers understood that TICO provides refunds to consumers who do not receive the travel services for which they paid, compared to 33% in the previous year. 69% of respondents identified at least one of TICO's roles correctly, compared to 73% in the previous year.

TICO PERFORMANCE MEASURES 2014/2015

TICO PERFORMANCE MEASURE	TICO PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
TICO's Consumer Awareness Campaign ensures that consumers understand the roles that TICO performs and the benefits of booking travel services through an Ontario registered travel agent. *(continued)* **Goal:** To increase the percentage of consumers surveyed who identified at least one of TICO's roles correctly.	Identify % of consumers surveyed who understand that they must purchase their travel services from an Ontario registered travel agency to obtain the protection of TICO and the Compensation Fund.	Of those consumers surveyed, 66% indicated that they were aware that they must purchase their travel services from an Ontario registered travel agency to obtain the protection from TICO and the Compensation Fund, compared to 68% in the previous year.
CONSUMER PROTECTION: **TICO's Financial Inspection Program ensures that consumers are better protected through financial inspections and monitoring.** **Goal:** Less than 5% of registrants with working capital or financial statement compliance issues result in claims against the Compensation Fund.	Identify the number of site inspections completed.	A total of 438 financial site inspections were completed during 2014/2015, compared to 456 in the previous year.
	Identify the number of financial statement (bench) reviews completed.	During the fiscal year, a total of 1,751 bench reviews were completed, compared to 1,819 in the previous year.
	Identify the number of registrants with working capital deficiencies, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).	A total of 216 files were opened between April 1, 2014 and March 31, 2015 for registrants with working capital deficiencies, compared to 225 in the previous year. Of those 216 financial statements: • 88 financial statements were not filed on time. • 5 registrations voluntarily terminated or lapsed. • 0 proposals issued. • 0 registrations were revoked.
	Identify the number of registrants who failed to file their financial statements on time, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).	Between April 1, 2014 and March 31, 2015, 1,901 financial statements were due to be received, compared to 1,951 in the previous year. Of those 1,901 financial statements: • 817 financial statements were not filed on time. • 65 registrations voluntarily terminated or lapsed. • 19 proposals issued. • 0 registrations were revoked.

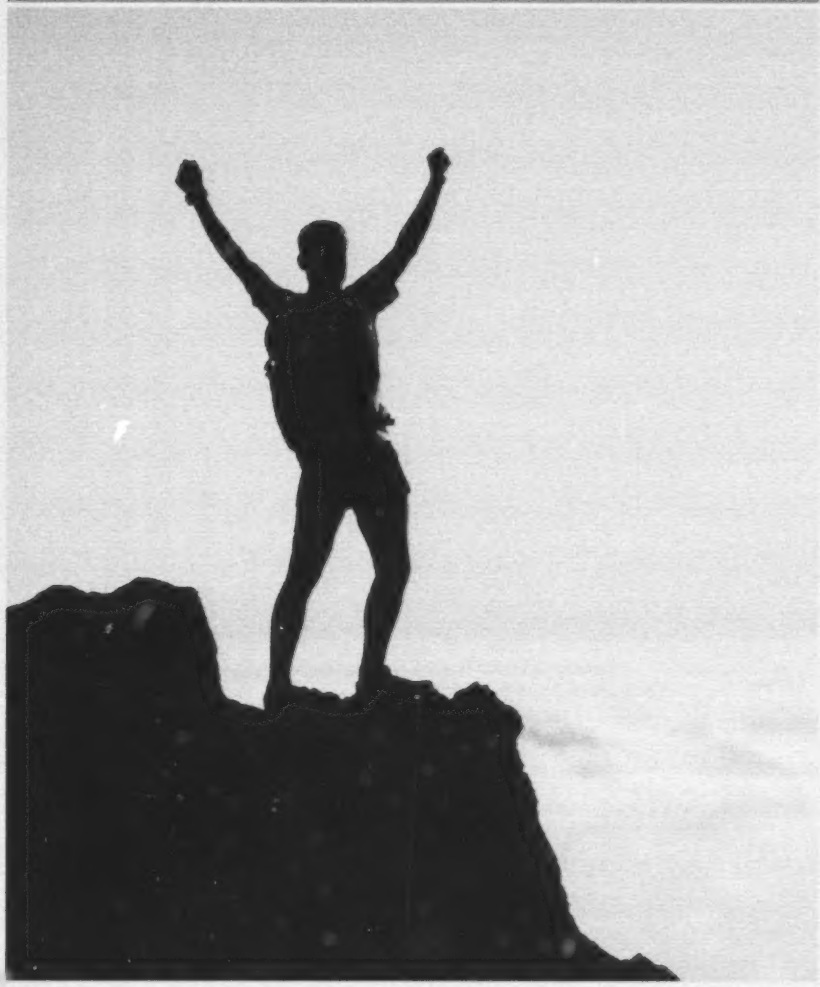
TICO PERFORMANCE MEASURES 2014/2015

TICO PERFORMANCE MEASURE	TICO PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
CONSUMER PROTECTION: **TICO's Financial Inspection Program ensures that consumers are better protected through financial inspections and monitoring.** ***(continued)*** **Goal:** Less than 5% of registrants with working capital or financial statement compliance issues result in claims against the Compensation Fund.	Identify the number of registrants with working capital deficiencies and financial statement filing compliance issues that failed and resulted in claims against the Compensation Fund.	For registrants that had files opened for working capital and financial statement compliance deficiencies during the year: • There were no registrants with working capital deficiencies that resulted in claims. • There were no registrants deficient in filing financial statements that resulted in claims. • There were no registrants with working capital files opened between April 1, 2014 and March 31, 2015 that resulted in claims against the Compensation Fund. • There were no registrants who filed their financial statements late between April 1, 2014 and March 31, 2015 that resulted in claims against the Compensation Fund.
TICO's Compensation Fund provides timely and fair resolution of claims. **Goal:** For claims received during the year, 70% of approved claims were processed within 120 days of receipt.	Identify the number of claims received during the year.	A total of 167 claims against the Compensation Fund were received between April 1, 2014 and March 31, 2015.
	Identify the value of claims received during the year.	The value of claims received during the fiscal year was $763,871.
	Identify the value of claims that were received during the year that were paid.	For claims received between April 1, 2014 and March 31, 2015, 56 claims were approved for a total of $96,938.
	Identify the number of consumers assisted during the year.	For claims received between April 1, 2014 and March 31, 2015, which were approved, a total of 108 consumers were assisted.
	Identify the average time to resolve claims during the year.	For claims received between April 1, 2014 and March 31, 2015, the average time to process claims from the date of receipt was 107 days.

TICO PERFORMANCE MEASURES 2014/2015

TICO PERFORMANCE MEASURE	TICO PERFORMANCE MEASURES 2014/2015	ACTIVITIES & ACCOMPLISHMENTS
TICO's Compensation Fund provides timely and fair resolution of claims. ***(continued)*** **Goal:** For claims received during the year, 70% of approved claims were processed within 120 days of receipt.	Identify the % of claimants surveyed who report the process was timely and fair.	Of the claimants who responded to TICO's Claims Survey, 100% indicated they were satisfied that the process was timely and fair. More information may be found on page 29.
	Identify the number of LAT claim appeals and results.	For claims processed between April 1, 2014 and March 31, 2015, two claims were appealed to LAT. LAT upheld the decision of the Board to disallow one claim and overruled the Board's decision and allowed payment of one claim in the amount of $1,790.
	Identify the percentage of claims received and approved during the year that were processed within 120 days of receipt.	Of the claims received and approved between April 1, 2014 and March 31, 2015, 60% were processed within 120 days of receipt.

ADDITIONAL BUSINESS ACCOMPLISHMENTS 2014/2015



- Successful transition and orientation of new President & CEO for TICO.
- Review of TICO asset to ensure adequate funding exists.
- Review of Compensation Fund level to ensure adequate funding.
- Successfully administered TICO's Education Standards Programme.

  During the fiscal year, a total of 6,236 exams were written as follows:

  - 5,361 Travel Counsellor Exams.
  - 299 Supervisor/Manager Exams.
  - 576 Combined Travel Counsellor and Supervisor/Manager Exams.
- Met the Terms of the Administrative Agreement by maintaining operations and systems to protect consumers in Ontario.
- Provided professional development for TICO staff designated Inspector under the *Travel Industry Act, 2002* to enhance knowledge and proficiency when conducting enforcement activities.
- Completed a Board Evaluation Survey in March of 2015.
- Enhanced TICO's website by adding a new comprehensive Enforcement and Compliance Section to provide stakeholders with information, guidelines and reports on TICO enforcement activities.
- TICO website maintained and kept up to date with timely information for the benefit of all stakeholders. Information provided included: press releases, industry advisories, closure advisories, Registrar Bulletins, TICO Talk Newsletter, Business Plan, Annual Report and other information items.
- Prepared and distributed the quarterly TICO Talk newsletter to all registrants.
- TICO continued to liaise with the Ministry of Government and Consumer Services on issues that require TICO's input and participated in regular liaison meetings.
- Participated in Ministry hosted quarterly meetings for all Delegated Administrative Authorities to attend and exchange information.
- Participated in Ministry hosted meeting for the joint Ministry and Delegated Administrative Authorities Communications Committee to exchange information.
- Communicated and restated TICO's Voluntary Code of Ethics for registrants on TICO's website and the TICO Talk newsletter.
- Distributed and made available on TICO's website, TICO's Annual Report and Business Plan in June of 2014.
- Continued to participate in an office waste and recycling program, which includes all paper, glass, metal, plastic, printer toner cartridges, batteries, PCs and monitors.

Operational Performance Review

Registration

On March 31, 2015, there were a total of 2,485 registrations with TICO (Fig. 1). Of these, 86% (2,137) are retail travel agencies, who sell travel services directly to consumers and 14% (348) are travel wholesalers, who sell travel services through travel retailers.

In 2014/2015, there were a total of 186 terminations (Fig. 2). A total of 2,559 registrations were processed under the *Travel Industry Act, 2002*, which included 142 new registrations (Fig. 3) and 2,417 renewals (Fig. 4). Registrations are renewed annually.

Registration Team:
Left to right: Cora Reyes, Paula Oliveira, Jana Arthur

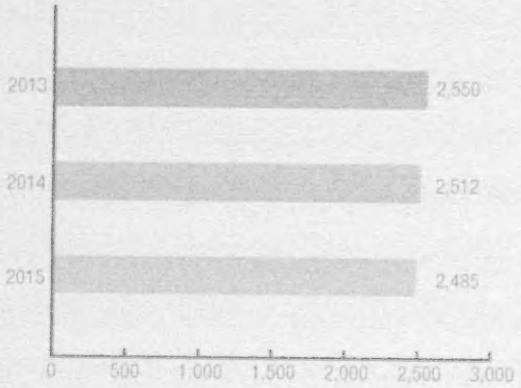


Figure 1: Total Registrations under the Act

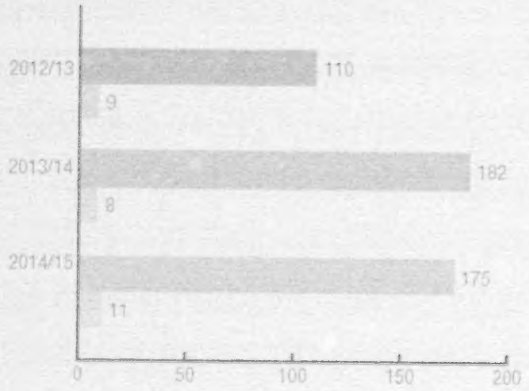


Figure 2: Total Voluntary Termination / Lapsed Registrations vs. Revocations

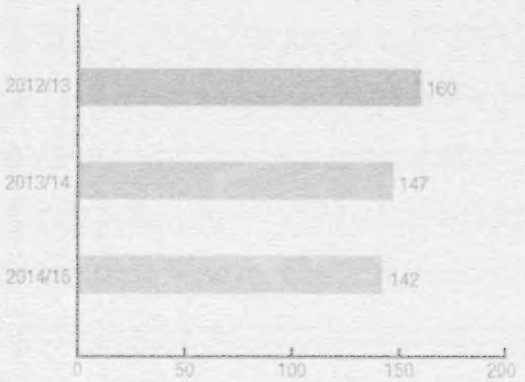


Figure 3: Total New Applications Processed

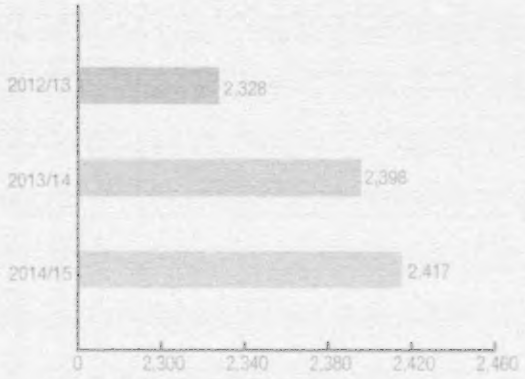


Figure 4: Total Renewal Applications Processed

Complaint Handling Process

TICO receives numerous telephone and email enquiries on a daily basis including those from consumers, registrants, applicants, government and industry stakeholders. TICO staff provides information with respect to consumer and business complaints, registration processes and acceptable business practice.

TICO provides complaint handling for consumer-to-registrant disputes. After encouraging consumers to pursue all avenues with the registrant, TICO staff will assist with the goal of reaching a mutually acceptable solution. However, TICO does not have the authority to settle a dispute, or to impose a settlement, and it does not have the authority or mandate to act as an arbitrator in any complaint matter. When a complaint involves allegations of non-compliance with the Act, the Registrar will undertake the necessary compliance and enforcement activities. If such is the case, this will be dealt with separately from assisting with resolution of the complaint. When a mutual solution is not reached, complainants are provided with information regarding options to pursue matters.

When TICO receives a complaint it may be resolved in anywhere from a few hours over the telephone or a few weeks to a few months for a formal written complaint.

The length of time varies depending on the complexity of the issues, the availability of feedback and documentation required, and the level of cooperation of those involved.

Registrant-to-registrant disputes have traditionally not been handled by the Registrar, unless financial issues or other allegations of non-compliance with the Act are involved.

Complaints Committee

Consumers and registrants with complaints about TICO's activities are invited to contact the Complaints Committee of the Board of Directors.

The Complaints Committee's mandate is to review and resolve, as appropriate, complaints against TICO, which are based on dissatisfaction with the quality and fairness of its services to registrants and consumers. The Committee also makes any recommendations with respect to TICO's complaint handling procedures that may arise from reviews of particular complaints. The Committee is composed of representatives of various stakeholders. During the 2014/2015 fiscal period, there were no complaints received against TICO.

Appeals against the Registrar's administrative decisions may proceed, as appropriate, to the Licence Appeal Tribunal. Complaints may be submitted to TICO by telephone, fax, mail or e-mail.

Complaints Officers:
Left to right: Cheryl Slocombe, Sylvia Manuge

Complaints

TICO resolved 265 written consumer complaints against registrants in 2014/2015 compared to 272 in the previous year (Fig. 5). Some of these complaints related to files that were opened in the previous fiscal year. The number of new complaints received during 2014/2015 was 307 compared to 250 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining $101,762 in restitution compared to $64,739 the previous year. In addition, TICO handled 1,262 telephone complaint inquiries and 369 email complaint inquiries.

The most frequent types of written complaints received at TICO in 2014/2015 were:

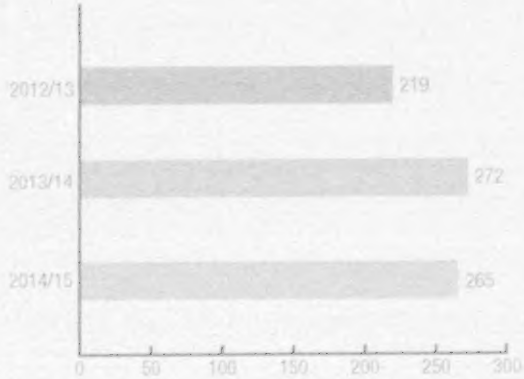


Figure 5: Written Complaints Resolved

1. Incomplete or incorrect information provided to the consumer by the registrant (i.e. information regarding the travel product or services being sold).
2. Invoicing issues (i.e. not complete with required information or not provided to consumer).
3. Information / documentation. Issues related to travelling with passports and other travel documents.
4. Customer service issues.
5. Outstanding refund.
6. Cancellation / non-refundable / no insurance
7. Accommodation changed.
8. Suspected fraudulent activity.
9. Itinerary change / flight times changed.
10. Incorrect ticketing issues.

Consumer Survey Results – Complaints Process

During the fiscal year 2014/2015, TICO distributed consumer surveys to 265 consumers who filed complaints against registrants with TICO, inviting feedback as to their experience with TICO's complaint's process. At the end of March 2015, there were 14 completed surveys returned to TICO.

The results of the 14 completed surveys received are as follows:

When asked to rate their overall satisfaction with TICO's handling of their complaint: 9 consumers advised they were either satisfied or very satisfied, 5 consumers indicated they were dissatisfied.

When asked to rate their satisfaction with the fairness of the process: 7 consumers advised they agreed or they were satisfied, 6 indicated that they were dissatisfied and 1 consumer was neutral in their opinion.

TICO reviewed the survey results and established that some of the consumers who expressed dissatisfaction had filed a complaint which contained issues that are not covered by the legislation and, therefore, were outside the scope of TICO. As such, TICO was unable to assist them.

In other cases, TICO was able to identify possible contravention(s) of the Act and/or Regulation on behalf of the registrant(s) involved. These issues were referred to TICO's Compliance Department for further review. As a result, TICO requires registrants to initiate corrective measures in an effort to prevent similar situations from affecting future travellers. However, such referrals are not directed at obtaining compensation for specific complaints. It should be noted that TICO does not have the authority to settle a dispute, or to impose a settlement.

Some consumers expressed dissatisfaction with TICO not having the additional authority to settle a dispute, or to impose a settlement in complaint matters.

The survey results also indicated that 7 consumers were either satisfied or very satisfied with the complaint turnaround times, 4 consumers were dissatisfied and 3 consumers were neutral in their opinion. Turnaround times may vary considerably depending on the complexity of the issues involved as well as the responses received from complainants and registrants, which could result in further information being required from suppliers or other third parties.

Financial Inspections

Under the direction of the Registrar, the TICO is responsible for conducting a financial inspection programme. All registrant financial statements are subject to a bench review to ensure compliance with the financial standards required by regulation. The bench review process produces information, which may determine those registrants that should receive financial site inspections. During the fiscal period 2014/2015, TICO completed 1,751 bench reviews (Fig. 6) and completed 438 financial site inspections (Fig. 7).

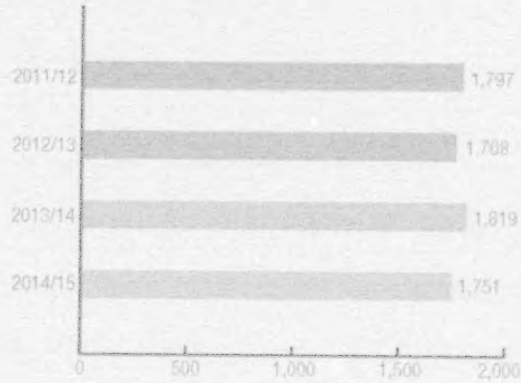


Figure 6: Total Financial Bench Reviews

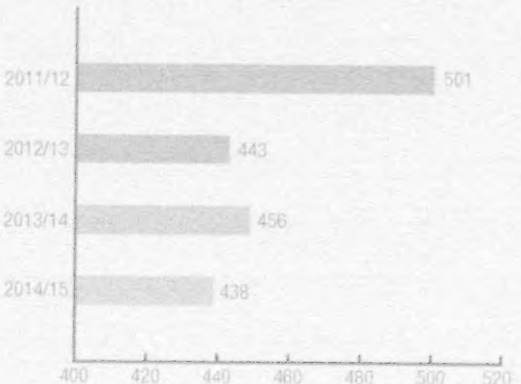


Figure 7: Financial Site Inspections

Compliance Team:
Left to right: Eric Neira, Dorian Werda, Anabel Andre, Tina Shewchuk

Non - Financial Inspections & Compliance

TICO performed 53 compliance site inspections during the 2014/2015 fiscal year compared to 10 in the prior year. Compliance site inspections are performed to address various issues such as advertising, invoicing and operating without registration. In 2014/2015, a total of 158 warnings for operating without registration were issued compared to 95 in the previous year (Fig. 8) and 136 advertising warnings were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the Act and Regulation compared to 116 in the previous year (Fig. 9). In addition, 317 invoicing warnings (Fig. 10) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation compared to 219 in the previous year. Invoicing deficiencies are forwarded to the Compliance Department from consumer complaints, financial inspections and claims. In addition, 4 warnings were issued during the fiscal year in relation to meeting the legislated Education Standards, compared to 3 in the previous year.

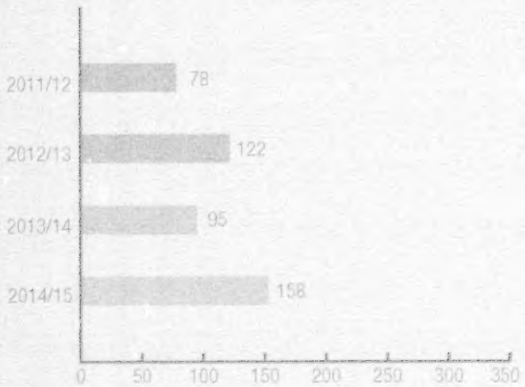


Figure 8: Total Warnings Issued for Operating without Registration

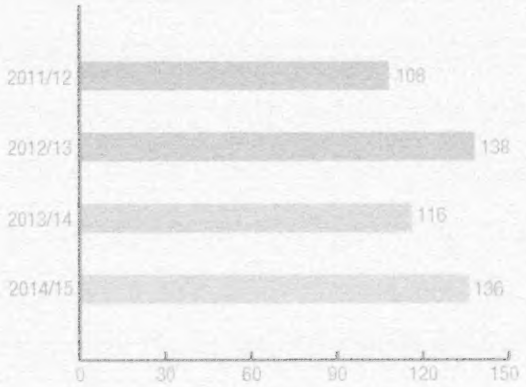


Figure 9: Total Warnings Issued for Advertising Infractions

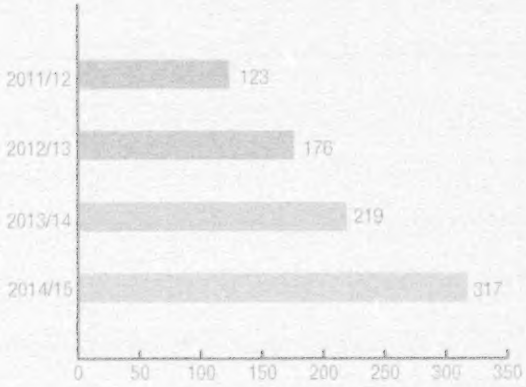


Figure 10: Total Warnings Issued for Invoicing Infractions

Travel Industry Compensation Fund

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2015, the assets held for the Compensation Fund were $20,850,147.

Claims and Repatriation

Claims paid during the fiscal year ended March 31, 2015 compared to the previous year ended March 31, 2014 were as follows:

	2014/15	2013/14
Number of claims paid	99	66
Number of consumers assisted	179	5,191
Claims paid - Registrant failure	$ 143,810	$ 2,140,054
Claims paid - End supplier failure	$ 33,510	$ 51,960
Total Claims paid	$ 177,320	$ 2,192,014
Repatriation / Trip Completion	$ 2,501	$ —
Less recoveries	$ (124,199)	$ (17,074)
Net claims paid	$ 55,622	$ 2,174,940

Repatriation / Trip Completion

During the fiscal year ended March 31, 2015, there was one registrant failure that resulted in trip completion costs against the Compensation Fund totalling $2,501 assisting 7 consumers.

Closures Resulting in Significant Claims Paid

Mexicana Airlines

Mexicana Airlines was officially declared bankrupt as of Friday April 4, 2014. The airline suspended flights in 2010 due to financial difficulties and was processing refunds. Consumers who purchased Mexicana Airlines travel services from an Ontario registered travel agency and who did not receive the travel services purchased and were still owed a reimbursement from the airline were eligible to claim against the Travel Compensation Fund.

During the year ended March 31, 2015, a total of $33,510 was paid out of the Compensation Fund, assisting 53 consumers.

Other Closures

The following entities ceased operations in previous years and resulted in claims paid during the 2014/2015 fiscal year:

Dat Phuc Ngo o/a Sky Asia Travel

Dat Phuc Ngo o/a Sky Asia Travel voluntarily terminated its registration under the *Travel Industry Act, 2002* to operate as a travel retailer on January 16, 2014. During the year ended March 31, 2015, a total of $119,032 was paid out of the Compensation Fund including $2,501 for Trip Completion, assisting 92 consumers. To date, a total of $171,797 has been paid out of the Compensation Fund, assisting 135 consumers.

Amigo Travel Ltd. o/a Amigo Travel Ltd.

Amigo Travel Ltd. o/a Amigo Travel Ltd. had its registration under the *Travel Industry Act, 2002* to operate as a travel retailer revoked on October 30, 2013. During the year ended March 31, 2015, a total of $21,614 was paid out of the Compensation Fund, assisting 26 consumers. To date a total of $65,070 has been paid of the Compensation Fund, assisting 71 consumers.

Summary Of Closures Resulting in Claims Against the Compensation Fund and Corresponding Recoveries

REGISTRANTS	CLAIMS PAID 2014/15 $	RECOVERIES 2014/15 $	CLAIMS PAID 2013/14 $	RECOVERIES 2013/14 $
Amigo Travel Ltd. (R)	21,614	-	43,456	-
Baldwin Travel and Tours (R)	-	-	-	400
Best Way to Travel (R)	2,665	-	-	-
BTM Services (R)	-	139	-	-
Cosmopolitan Travel (R)	-	-	-	10,771
Dolphin Travel (R)	-	-	-	2,804
EZJet Air Services Inc. *	-	73,117	51,107	-
Jetsgo *	-	-	-	89
Joy Travel & Tours (R)	1,790	-	6,900	-
Malev Airlines *	-	-	-	480
Mexicana Airlines *	33,510	798	-	-
Minfare Travel (R)	-	6,834	-	-
MKI Travel and Conference Management (R)	-	-	2,036,933	-
Perfect Travellers (R)	-	-	-	2,530
Pluna Airlines*	-	-	853	-
Sky Asia Travel (R)	119,032	20,000	52,765	-
Smartchoice Travel & Tours (R)	1,210	-	-	-
Sunrise International Travels Inc. (R) (W)	-	23,311	-	-
TOTAL CLAIMS PAID (GROSS)	**179,821**	**124,199**	**2,192,014**	**17,074**

(R) = Retailer

(W) = Wholesaler

(*) = Non-registrant End Supplier (Airline or Cruise line)

Note: Recoveries listed may relate to claims paid out in previous years.

Figure 11 illustrates the total claims paid by the Fund over the last four years. The total claims paid during 2014/2015 totalled $179,821 compared to $2,192,014 the previous year. Recoveries received by TICO in 2014/2015 were $124,199 compared to $17,074 recovered in 2013/2014.

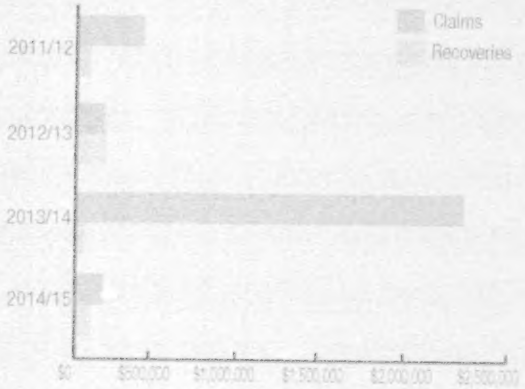


Figure 11: Total Claims paid and Recoveries to the Fund

Figure 12 provides a comparison of the total claims paid out of the Compensation Fund as a result of TICO registrant closures and claims paid as a result of end supplier (airline or cruise line) failures. During the 2014/2015 fiscal year, there was a significant decrease in claims paid out of the Compensation Fund as a result of registrant failures. In 2014/2015, a total of $146,311 was paid in claims related to registrant failures compared to $2,140,054 to the prior year. During the fiscal period 2014/2015, a total of $33,510 in claims was paid as a result of end supplier failures compared to $51,960 in the previous year.

Contributions to the Fund from registrants (Fig. 13) have increased by $1,182,317 in 2014/2015 compared

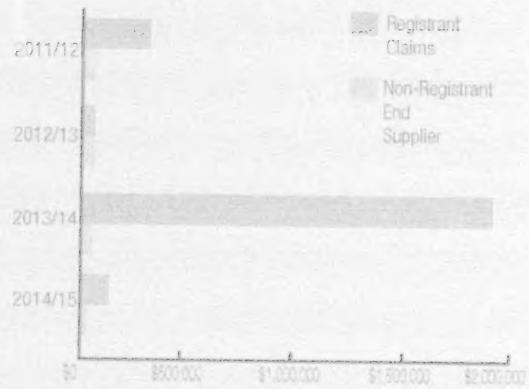


Figure 12: Registrant Claims vs Non-Registrant End Supplier Claims

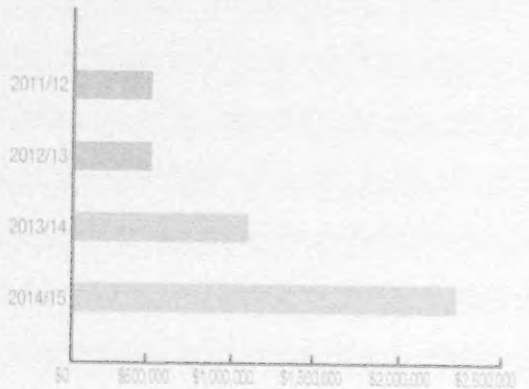


Figure 13: Contributions to the Fund

to the previous year. This is as a result of an increase in the assessment rate to registrants to 15 cents per $1,000 sales, which became effective May 1, 2013.

Consumer Survey Results – Claims Process

During the fiscal year 2014/2015, TICO distributed consumer surveys to 109 claimants who filed claims against the Compensation Fund inviting feedback on their experience with TICO's claims process. At the end of March 2015, a total of 15 completed surveys were returned to TICO.

The results of the completed surveys received were as follows:

When asked to rate overall satisfaction with TICO's handling of their claim, and the fairness of the process, 15 consumers indicated that they were either satisfied or very satisfied with the handling of their claim and with the fairness of the process. The survey results also indicated that the 12 respondents were either satisfied or very satisfied with the length of time taken to process their claim, 1 was dissatisfied and 2 were neutral in their opinion.

Legal
Left to right: Tracey McKiernan, Soussanna Kaze

Legal Matters

By-law Changes

At the meeting held on December 16, 2014, Members voted to approve amendments to TICO By-law No. One. The most significant change was with respect to the Board composition. The seat held by the Canadian Institute of Travel Counsellors was eliminated and an additional elected at large position was added to the Board. The third elected position will be open to an individual associated with either a Retail or Wholesale Registrant in good standing or with a Marketing Group of Registrants. Going forward, each Elected Director will serve a term of three (3) years, calculated from the date of the annual meeting at which the director assumes office, or until a successor has been selected, and shall retire in rotation. There were also changes to the by-law to remove gender-specific pronouns and to update references to the Act, Administrative Agreement and Ministry in the document.

Claims

The Licence Appeal Tribunal (LAT) hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2015, there were 2 LAT hearings held in relation to decisions of the Board to disallow any claims. LAT upheld the decision of the Board to disallow one claim and overruled the Board's decision and allowed payment of one claim in the amount of $1,790.

Investigations and Prosecutions

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation, which can result in charges being laid under the statute. Investigations conducted have resulted in the following prosecutions:

Sunrise International Travels Inc. and Ramnarine Tiwari

After an extensive trial, Sunrise International Travels Inc. ("Sunrise") has been convicted of one count under section 31(1) (c) of the *Travel Industry Act, 2002* ("the Act") of failing to keep customer funds in a designated trust account until payment was made to the supplier of the travel services or a refund was provided, contrary to section 27(6) of Ontario Regulation 26/05 made under the Act (the "Regulation"). Ramnarine Tiwari, an officer and director of Sunrise, has been convicted of one count under section 31(2) of the Act, of failing to take reasonable care to prevent Sunrise from committing an offence of failing to keep customer funds in a designated trust account, contrary to section 27(6) of the Regulation. The Ontario Travel Industry Compensation Fund has paid claims in excess of $1 million in relation to the closure of Sunrise on December 18, 2009.

Sunrise was sentenced as follows:

a. Fine of $20,000 payable by July 17, 2014; and

b. Restitution Order for $23,310.86, payable to TICO by July 17, 2014.

Ramnarine Tiwari was sentenced as follows:

a. Period of incarceration for 60 days, served intermittently. The sentence commenced on July 20, 2014; and

b. Probation order for the duration of the jail sentence.

Nazimuddin Kazi

Nazimuddin Kazi plead guilty to seven (7) counts of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Kazi operated in Toronto and elsewhere in Ontario. The guilty plea by the Defendant was accepted and convictions registered. Prior to the sentencing hearing, Mr. Kazi paid restitution to all but one consumer. The following sentence was imposed on Mr. Kazi:

1. 30 days imprisonment, served intermittently, starting July 4, 2014.

2. Probation for a period of 6 months, with the following conditions:

   a. To report to the probation officer.

   b. To pay restitution of $3,325.00 to the consumer by December 31, 2014.

   c. Not to sell travel services or otherwise be employed in the travel industry, in any capacity whatsoever.

Mr. Kazi has also been charged with fraud under the Criminal Code of Canada. Those charges are still before the Court. This is the second conviction of Mr. Kazi under the Act. On July 19, 2006, he was convicted of 7 counts of failing to properly maintain a trust account and 2 counts of operating without registration. Mr. Kazi was sentenced to pay a fine and restitution.

Mazdak Anvari, 1091873 Ontario Inc. o/a One Step Travel, Student Escape Tours and Parsia Travel

Following a hearing, Mazdak Anvari's ("Anvari") Application to Extend Time to File an Appeal was denied and the sentence of 18 months incarceration was affirmed. On June 25, 2008, Mazdak Anvari and 1091873 Ontario Inc. operating as One Step Travel, Student Escape Tours and Parsia Travel ("One Step Travel") were convicted of 3 counts each of trust accounting violations. Anvari was sentenced to 18 months in jail and 1091873 Ontario Inc. was fined $50,000. The closure of One Step Travel resulted in approximately $1,000,000 in claims being paid by the Ontario Travel Industry Compensation Fund. On May 13, 2014, Anvari made an Application to Extend Time to File an Appeal on his own behalf. Pursuant to section 5(1) (2) of Ontario Regulation 723/94 made under the Courts of Justice Act, the appeal should be filed within 30 days from the date of the decision appealed from. The Honourable Justice V. Loignon, of the Ontario Court of Justice, denied the Application stating that Anvari did not satisfy the test for granting the Application. As the conviction and the sentence imposed on One Step Travel have not been appealed, the $50,000 fine imposed against One Step Travel also remains in force.

David Magazzinich and Dealathons.com Inc.

David Magazzinich and Dealathons.com Inc. each plead guilty to one (1) count of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Magazzinich and Dealathons.com Inc. operated in Toronto and elsewhere in Ontario.

The guilty plea by the Defendants was accepted and convictions registered. The following sentence was imposed:

1. Dealathons.com Inc. has been sentenced to pay a fine of $2,000. The fine is to be paid in full within 24 months from the date of the sentence.

2. Mr. Magazzinich received a suspended sentence.

Bradley Talan Edelson

Bradley Talan Edelson plead guilty to two (2) counts of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Edelson operated in Toronto and elsewhere in Ontario. The guilty plea by Mr. Edelson was accepted and convictions registered.

The following sentence was imposed:

1. On Count No. 1 - a fine of $1,000. The fine is to be paid in full within 12 months from the date of the sentence.

2. On Count No. 2 - a fine of $2,000. The fine is to be paid in full within 12 months from the date of the sentence.

AAST Inc. and Yue Chi

Following an ex-parte trial in Toronto, AAST Inc. and Yue Chi were convicted of one count each, of operating as a travel agent without registration contrary to section 4(1) (a) of the Ontario *Travel Industry Act, 2002*. Yue Chi and AAST Inc. operated in Toronto and elsewhere in Ontario. Yue Chi and AAST Inc. were sentenced to pay a fine of $12,000 each, for a total of $24,000. The fine is payable within 12 months from the date of the sentence.

Anas Araznajani

Anas Araznajani, a partner of BTM Services, a registered travel agent that operated in Mississauga and elsewhere in Ontario, whose registration lapsed effective March 31, 2012, plead guilty to the following offences:

1. While BTM Services was registered as a travel agent, failing to hold customer funds in the designated trust account – One (1) count;
2. While BTM Services was registered as a travel agent, failing to notify the Registrar, Travel Industry Act of opening a second trust account contrary to section 17(2) 3 of Ontario Regulation 26/05 – One (1) count;
3. After the registration of BTM Services was lapsed, operating as a travel agent without registration – Four (4) counts.

Convictions were registered and the following penalty imposed:

1. On two counts of operating as a travel agent without registration – a fine of $1,000 for each count, for a total of $2,000, with one year to pay;
2. On one count of failure to hold customer funds in trust – a fine of $3,000, with one year to pay;
3. On one count of failure to notify the Registrar of opening a second trust account – suspended sentence;
4. On two counts of operating as a travel agent without registration - suspended sentence and a Probation Order with the following conditions:
   a. Within five days from accepting employment in the travel industry, to inform the Registrar in writing of the name of the travel agency and position.
   b. If employment is obtained in the travel industry, to inform the employer of this conviction under the *Travel Industry Act, 2002*.

Robert Van Kleek and Pathway Tours

Robert Van Kleek and Byron Swayze/Globe-Travellers Inc. o/a Pathway Tours plead guilty to the following offences and the following sentence was imposed:

Robert Van Kleek plead guilty and was convicted of one count of operating as a travel agent without registration, contrary to section 4(1)(a) of the *Travel Industry Act, 2002* (the "Act"). The passing of sentence was suspended and he was placed on probation with the following conditions:

1. Probation Order is for a period of 2 years from the date of the sentence; and
2. Robert Van Kleek is not to engage in the sale, advertising, counseling or offering of travel services in Ontario, unless registered as a travel agent/wholesaler or he enters into a contract/employment with another registrant.

Byron Swayze/Globe Travellers Inc. o/a Pathway Tours

Byron Swayze/Globe Travellers Inc. o/a Pathway Tours("Pathway Tours") plead guilty and was convicted of one count of operating as a travel agent without registration, and one count of operating as a travel wholesaler without registration, contrary to sections 4(1)(a) and 4(1)(b) of the Act, respectively. A fine of $1,500 for each count was imposed, for a total fine of $3,000. The fine is payable within 180 days. The remaining charges were withdrawn against both Defendants. Pathway Tours operated in London and elsewhere in Ontario. Robert Van Kleek was a director and officer of Pathway Tours.

Christopher Greenwood, Officer of MKI Travel and Conference Management Inc.

Mr. Christopher Greenwood, an Officer of MKI Travel and Conference Management Inc. ("MKI"), a former TICO registrant, plead guilty to one count of failing to take reasonable care to prevent MKI from committing an offence of failing to keep customer funds in a designated trust account, contrary to section 27(6) of Ontario Regulation 26/05 (the "Regulation") made under the *Travel Industry Act, 2002*.

Mr. Christopher Greenwood also plead guilty to one count of failing to take reasonable care to prevent MKI from committing an offence of failing to obtain the Registrar's consent prior to opening a trust account at the HSBC Bank of Canada, contrary to section 27(4) of the Regulation.

Mr. Christopher Greenwood was sentenced to pay a fine of $8,000 for both counts. The other two counts against Mr. Christopher Greenwood were withdrawn.

Gente da Nossa Inc.

Gente da Nossa Inc. plead guilty to one count of operating as a travel agent without registration, contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. A fine of $3,000 was imposed. The fine is payable within 1 year. Gente da Nossa Inc. operated in Toronto and elsewhere in Ontario. The charges against Nellie Pedro trading as Gente Tours and Gisela Terencio were withdrawn.

Kimberly Rourke

Kimberly Rourke plead guilty to one count of operating as a travel agent without registration, contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. A fine of $6,000 was imposed. The fine is payable within 2 years. Ms. Rourke operated in Kitchener and elsewhere in Ontario.

Proposals to Revoke Registration

A total of 34 proposals to revoke registration were issued during 2014/2015. The proposals were issued for the following reasons:

	2014/15	2013/14
Failure to file Financial Statements	19	10
Failure to maintain Working Capital	5	4
Failure to maintain Trust Accounting	2	5
Failure to file Form 1 Assessment	7	1
Other Breaches of the Act and Regulation	1	4
	34	23

TICO attended 16 pre-hearings and 8 hearings before LAT in response to the proposals issued against registrants. Pre-hearings are a mandatory part of the LAT appeal process. Some proposals were settled prior to their scheduled hearing date. During the year, 11 registrations were revoked, 8 proposals were withdrawn and 13 were settled by consent order. At the beginning of the fiscal year, there were 5 outstanding proposals and at the end of March 2015, there were 7 outstanding proposals.

Consumer Awareness Campaign

During the 2014/2015 fiscal year, TICO worked with the Marketing Garage of Aurora, Ontario on TICO's Consumer Awareness Campaign. The goal each year is to increase consumer awareness and to ensure that consumers gain a better understanding of TICO and the consumer protection that is available when they purchase travel services from Ontario registered travel agencies.

In 2013, TICO introduced a new campaign strategy entitled the Language of TICO. The Language of TICO campaign was designed to send the message to consumers that the Ontario travel industry is filled with highly skilled professionals. The Campaign promotes the knowledge, integrity and professionalism of Ontario registered travel agencies and their respective travel counsellors in addition to promoting the consumer protection available from Ontario registered travel agencies.

In the prior fiscal year, the Language of TICO Campaign included the production of a 30-second television commercial entitled "Wild Suitcases," which aired on all Ontario television networks and was well received by all stakeholders resulting in an increase in awareness among Ontarians to 26%.

TICO Web Contest Information Banner

TICO Facebook TV Contest

TICO Animated Web Banner

In 2014/2015, TICO adopted a more aggressive approach in its media strategy in an attempt to boost consumer awareness in Ontario by increasing the weight of TICO's media spend on television. TICO's Wild Suitcases television commercial was aired on all Ontario networks for over a 4 week period in January and February 2015 achieving 150 Gross Rating Points (GRP) a week and delivering an estimated 25 – 30 million impressions to provide a more meaningful impact and use of TICO's advertising dollars.

During the fiscal year, TICO's Consumer Awareness Campaign also included a dedicated digital marketing media strategy to increase its reach to improve awareness among Ontario travellers, particularly those in a younger age bracket that predominantly use the internet and social media to resource and purchase products and services as opposed to turning to the traditional bricks and mortar retail travel agency.

The Campaign's digital marketing strategy included pay-per-click advertising to capture consumers on the Internet when searching for travel services. Both test and display ads were used and linked to customized landing pages which provided consumers with TICO's consumer awareness message. This initiative resulted in 16,327 clicks through to TICO's website and an increase of 24% on the average monthly visits to tico.ca. TICO also enhanced its website by introducing a search optimized blog with useful travel tips and information for consumers with over 2,050 pageviews and some blogs being shared over 750 times. TICO also introduced posting via various social media networks such as Facebook, Twitter and Linkedin. Postings included regular informative postings about travel and consumer protection and the benefits of booking with Ontario registered travel.

Public relations was also a component in the campaign's strategy and along with various interviews conducted with media on timely travel related issues throughout the year, TICO maintained an ongoing column in the Travel Section of the Saturday edition Toronto Star, which is featured every two weeks. The column answers readers travel questions and tackles timely and top of mind travel issues.

Throughout 2014/2015, TICO continued to attend consumer trade shows and spoke to various consumer groups to educate them about TICO and the consumer protection available to them when they purchase travel services from TICO registered travel agencies.

Each year, TICO conducts an omnibus survey to measure the success of the campaign. Awareness of TICO in Ontario increased 32% compared to 26% in the previous year. There was an increase in awareness of TICO in the GTA area with 39% indicating awareness of TICO in 2014/2015 compared to 32% in the previous year. In 2015, 38% of consumers surveyed in Ontario indicated television advertising as the source of awareness of TICO, compared to 30% in the previous year.

The survey also measured consumer's knowledge of TICO's role and indicated that 66% of those surveyed who were aware of TICO understood that they must purchase their travel services from an Ontario registered travel agency to obtain the protection from TICO and the Compensation Fund. This was a slight decrease from 68% in the previous year.

The goal is to continue to increase awareness of TICO and understanding of the consumer protection that is available when purchasing travel services from Ontario registered travel agencies.

Registrant Engagement

In 2014/2015, TICO continued its efforts to reach out to registrants and provide opportunities for meaningful engagement and sharing of information to not only provide the industry with a better insight of TICO but to also allow TICO an opportunity to gain a better understanding of any issues or challenges being faced by registrants in the marketplace.

TICO conducted 13 roundtable sessions across Ontario with frontline travel agents and travel agency owners to obtain feedback on their understanding of TICO, its role in the industry, as well as TICO's Consumer Awareness Campaign. The Language of TICO Campaign was introduced to promote the knowledge, integrity and professionalism of Ontario registered travel agencies and their respective travel counsellors. TICO would like registrants and their travel counsellors to be proud of being part of a self-managed travel industry that has standards and consumer protection.

The roundtable sessions provided an opportunity for TICO to engage registrants and travel agents with respect to their knowledge and understanding of TICO. It also provided a forum for registrants and travel agents to ask any questions that they may have with regard to TICO, its mandate and role in the travel industry. TICO was able to secure input on the registrant engagement efforts conducted in the prior year as well as obtain feedback on its Language of TICO campaign. There was also an opportunity for an open dialogue with industry members on various questions and/or industry issues they wished to raise. The feedback received from attendees was very positive. Both attendees and TICO left the sessions with a greater understanding and appreciation of the issues and challenges faced in the Industry. In addition, attendees left with a greater understanding of TICO. Feedback received by TICO at the roundtable sessions will assist in future communications with stakeholders as well as assist in planning future Consumer Awareness Campaign strategies.

TICO also attended eight industry events to obtain feedback from registrants and to encourage registrant engagement in TICO's Consumer Awareness Campaign.

To launch the airing of TICO's Wild Suitcases commercial and engage registrants in the Consumer Awareness Campaign, TICO held a "Count the Zebras" Contest. Registrants

were sent an e-blast with a link to view the commercial and count the number of zebras that appear in the commercial. Registrants could register their entries with their guess at the number of zebras on TICO's Facebook page to win a full 3 piece hardcase set of Zebra Luggage.

An online survey was conducted with TICO registrants to obtain their views on TICO's Consumer Awareness Campaign and to establish whether travel agents are using the campaign messaging and collateral materials to benefit their business. TICO received 92 responses. A total of 51% of respondents indicated that they include the TICO logo in their advertisements and 65% display the TICO logo on their website. Approximately 47% of respondents indicated that they have the TICO logo on their invoices and 49% of respondents include the TICO logo on their business cards.

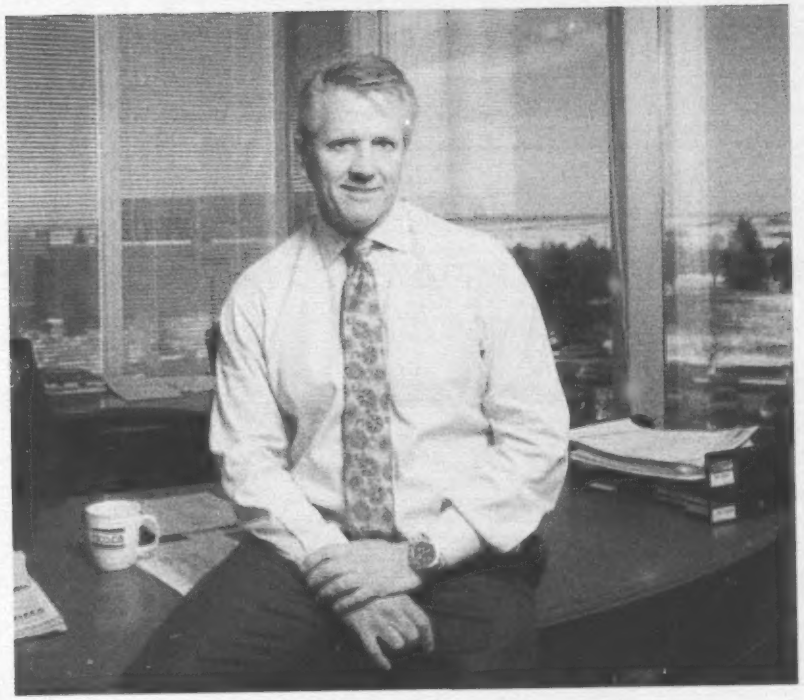
Reception / Administrative Support Team:
Left to right: Heather Wilkins, Monique Belanger, Susan Janko

When asked whether they advise their customers about the benefits of purchasing travel services with their company as a TICO registered travel agency, a total of 95% of respondents indicated that they advise their customers about the benefits of booking with a TICO registered travel agency. When asked whether they believe that TICO's Consumer Awareness Campaign and its messaging has been beneficial to their businesses, a total of 47% of respondents answered positively that the messaging (Ontario Travel Agents are FANTASTICO) has been beneficial to their business and 76% of respondents saw TICO's Wild Suitcases commercial on television.

Ultimately, TICO would like the industry to understand that there is value to being part of a self-managed industry with standards and there is value to promoting their businesses as being registered with TICO. In turn, TICO would like all Ontarians to understand and appreciate the knowledge, integrity and professionalism of Ontario registered travel agents and the consumer protection that is afforded to them when they book with a TICO registered travel agency. By working together, more consumers will come to understand that TICO travel agents are FANTASTICO and by spreading the word, we can build a stronger industry.

French Language Services

TICO strives to respond to all inquiries received in the French language, whether oral or written. A comparable level of service will be provided in either language whenever and wherever demand and customer service warrant. TICO staff are able to communicate in several languages and provide both registrants and consumers with a timely, courteous and quality response to all French language enquiries. Correspondence received in French is responded to in French.



Chief Executive Officer
Richard Smart

FINANCIAL REVIEW

The following financial review is based on the audited financial statements for the Travel Industry Council of Ontario for the year ended March 31, 2015 with comparative figures for March 31, 2014.

Overview

As at March 31, 2015, the combined Net Assets of TICO were $22,286,209, compared to $21,844,492 for the year ended March 31, 2014. The increase in Net Assets was a result of total revenues exceeding expenses by $441,717 for the year, compared to expenses exceeding revenues by $3,189,163 in the prior year. Total revenues increased in 2014/2015 by $1,552,805 or 49%, while total expenses, including net claims decreased by $2,078,075 or 33%. Excluding net claims, operating expenses increased $87,286 or 2.1%

The Net Surplus reported in fiscal year 2015/2016 reflects the first surplus since fiscal year 2006/2007 (Fig 13).

TICO is required to hold all Compensation Fund (Fund) monies in trust. As of March 31, 2015, the assets held for the Fund totalled $20,850,147 compared to $20,649,146 as of March 31, 2014.

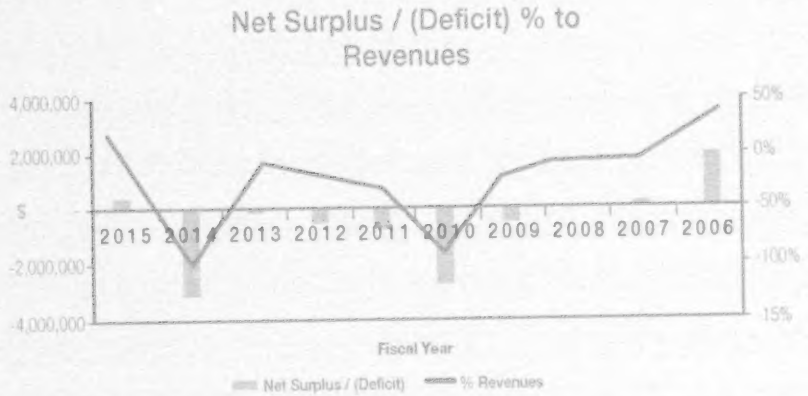


Figure 13: Net Surplus/Deficit % to Revenue

Revenue

Total revenue for the year ended March 31, 2015 was $4,743,433 and derived from semi-annual assessments paid by registrants to the Fund ($2,395,653), applications for renewal of registrations ($1,127,169) and from new applications for registration ($307,965). Education Standards fees were $244,914. A total of $667,732 in investment income was earned during the year.

Overall, revenues were strong this fiscal year, exceeding budget and prior year results. The primary driver of this increase was a rate increase for semi-annual Fund assessments. Effective May 1, 2013, the rate was increased from 5 cents per $1,000 of sales to 15 cents per $1,000 of sales. This increase, the first since 2006, was necessary to maintain the desired Fund level and to return TICO operations to a minimum break-even point.

Fiscal year 2015/2016 represents the first year since fiscal year 2007/2008 that revenues have exceeded total expenses (Fig. 14).

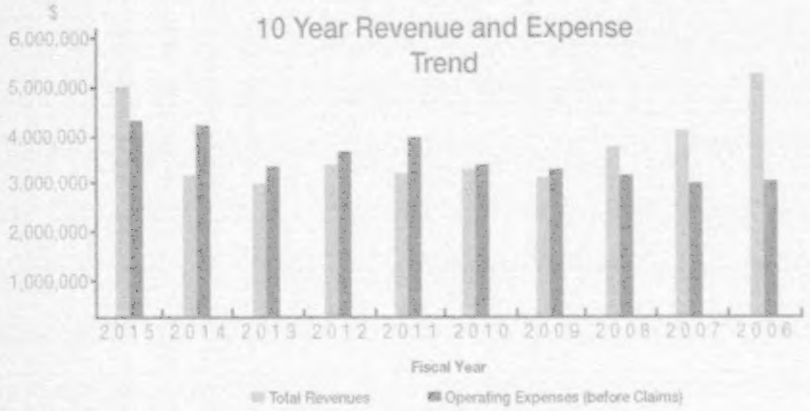


Figure 14: Ten Year Revenue and Expense Trend

Semi-Annual Assessments

Semi-annual assessments were higher in 2014/2015 at $2,395,653, compared to $1,213,336 in 2013/2014, almost a doubling from the prior year. The increase is driven by two factors; (1) real growth in the total Ontario Gross Sale's of registrants and (2) an increase in the TICO assessment rate effective May 1, 2013.

All registrants are required to pay into the Fund based on their respective Ontario gross travel sales. The contribution rate for both retail and wholesale registrants was 5 cents per $1,000 of sales until April 30, 2013 and changed to 15 cents per $1,000 of sales effective May 1, 2013. The assessment is calculated by each Registrant based on the prior six month's Ontario Gross Sales. Therefore, this rate increase took until November 1, 2013 to be fully assessed (prior to this date, the effective rate was a blending of the 5 cent and 15 cent rates). The year-over-year variance reflects this rate increase and the timing of receipts made by registrants.

Registration Fees

Revenue from registration fees is derived from two sources, new registration fees and renewal fees. New registration fees remained unchanged from prior year at $3,000 for a head office and $800 for a branch office and cover a one year period of registration. Renewals are made annually and are based on a registrant's sales volume ranging from $300 to $1,800 per head office. The renewal fee for a branch office, also unchanged from prior year, is $300. Renewal Fees during fiscal year 2014/2015 were $1,127,169 compared to $1,008,199 in 2013/2014, an increase of 12%. New Registrant fees were $307,965 in 2014/2015, an increase of 6% compared to $291,900 in 2013/2014.

The number of registrants at March 31, 2015 (2,485) was marginally down from the prior year (2,512). The average year-over-year revenue per registration increased from $398 to $451 consistent with registrant sales growth and the timing of receipts by TICO.

Education Standard Fees

In July 2013, TICO's Education Standards programme, previously administered by Canadian Institute of Travel Counsellors (CITC) on behalf of TICO, was integrated into TICO. On a cost-recovery basis, revenue of $307,965 was earned and offset by administrative expenses necessary to operate the program. During fiscal year 2015/2016, a total of 6,236 exams were written yielding approximately $39 per exam ($29 prior year).

Investment Income

Investment income is $667,732 for 2014/2015 compared to $521,257 in 2013/2014. The increase in investment income is a result of marginally higher investment yields and net new investments to the Fund of $2,013,613. In addition, as older investments mature, TICO is reinvesting at substantially lower rates as current market rates remain depressed versus historical standards.

Expenses

Total expenses decreased by 33% in 2014/2015 to $4,301,716 from $6,379,791 in 2013/2014. The significant variances are as follows:

Claims and Recoveries

Total net claims for fiscal year 2014/2015 was $55,622 compared to a net claim of $2,174,940 in 2013/2014. Gross claims resulting from the closure of registrants totalled $143,810 representing 119 passengers. Non-registrant claims from Mexicana Airlines totalled $33,510 for 53 passengers were approved during the year. A total of $2,501 was approved for Trip Completion claims.

Figure 15: Percentage Net Claims to Total Revenues

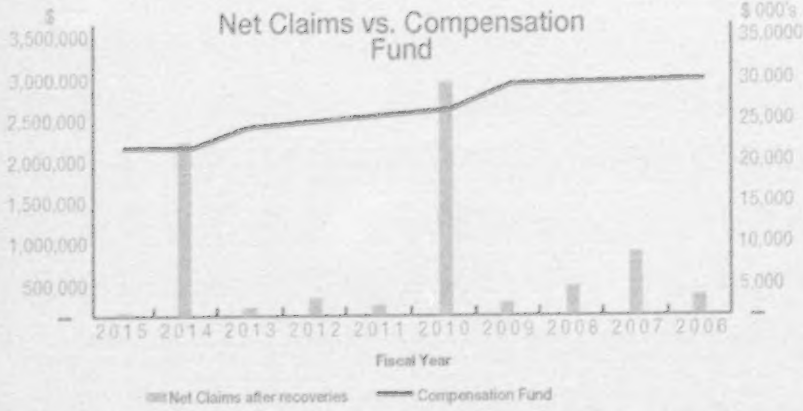


Figure 16: Net Claims vs. Compensation Fund

Recoveries from prior year security deposits and repayments from registrants totalled $124,199. These recoveries are detailed on page 28.

The % of net claims to revenues for fiscal year 2014/2015 was 1%, well below the 10 year average of 23% (Fig. 15). While the Compensation Fund is currently within the prescribed comfort range of the Board (Fig 16.), a large failure would deplete the Compensation Fund below this level.

Salaries and Benefits

Total expenses of $1,880,990 were higher than prior year of $1,749,529 by $131,461. This increase in expense was anticipated in the annual budget and included the normal annual merit adjustment for all employees and a period of overlap between the former and new CEO. Other adjustments to reflect market for a small number of employees were also made during the year.

Consumer and Registrant Awareness

Total expense for fiscal year 2014/2015 of $670,060 is lower than in 2013/2014 by $178,997. Expenses in this category include TICO's province wide consumer awareness campaign, the cost of TICO's quarterly newsletter, TICO's website and the cost of participation at consumer trade shows. For fiscal year 2013/2014, increased funding was allocated and budgeted (based on the prior fiscal year's lower spend) for the design and implementation of the television campaign first aired in the fall of 2014, and subsequently again during this fiscal year. This higher allocation was not required in the current fiscal year and the budget and actual spending was adjusted accordingly.

General and Office Expense

Total expense of $275,848 has increased by $56,720 over the prior year. Although higher than the prior year, it is generally aligned with the expected budget spend. The increase over the prior year expenses reflects additional expenditures associated with the replacement of antiquated technology equipment, costs associated with meeting costs, CEO transition expenses, staff related and other re-classification of expenses.

Board Meeting Expense

Total expenses of $185,858 have increased by $63,516 in fiscal year 2014/2015 over the prior year. This expense category includes the cost of TICO's Annual General Meeting, Board of Directors remuneration, travel and meeting expenses. The number of directors was, on average, lower by one during the year but the number of meetings increased significantly, largely driven by the transition to a new CEO. There were no unusual or one-time expenses incurred during the fiscal year.

Government Oversight Fees

Total expense of $195,373 increased by $36,673 for 2014/2015, compared to $158,700 in 2013/2014. These fees are paid to the Ministry under the terms of TICO's Administrative Agreement. The current Administrative Agreement was signed on January 23, 2013. A further increase is anticipated in 2015/2016 aligned to inflation.

Computer Network and Support

Total expenses of $159,799 have decreased in fiscal year 2014/2015 by $15,432 primarily due to migration to a fixed-fee cloud-based model. In the prior year, support costs were billed on a per incident basis.

Other expenses including Education Standards

There were no other material variances to highlight. Of note though is a change in classification of certain expenses previously segregated under Regulatory Reform and Education Standards. TICO's basis of operations and accounting does not capture costs on a fully allocated basis. The overall mandate includes operating on a cost recovery basis. As such, management has chosen to report the costs of operating the education program consistent with other departments. Costs for the education program are captured in the individual expense lines within the Statement of Operations. There were no expenses associated with Regulatory Reform during the year.

Allocation of Revenues and Expenses

Included as part of the Financial Statements is a Schedule allocating Revenues and Expenses between the Compensation Fund and the TICO Asset for the year ended March 31, 2015.

TICO's operations are funded solely by registrants. TICO has two revenue streams namely contributions to the Fund and registration fees. TICO's net assets are made up of the Fund which are restricted monies and the TICO Asset which are the unrestricted monies.

Contributions to the Fund are attributed to the Fund while registration fees are attributed to the TICO Asset. Investment income is allocated to both the Fund and the TICO Asset on a proportional basis.

Operational expenses are allocated between the Fund and the TICO Asset while direct Fund expenses such as claims are allocated to the Fund. The allocation of operational expenses is based on estimates of how resources, including staff, are expended to manage the Fund and TICO's overall operations. For accounting purposes, in essence two distinct assets (the Fund and TICO Asset) are recognized, however TICO is one organization and expenses are allocated accordingly between the two assets.

Management Team
Left to right: Tracey McKiernan, Dorian Wanda, Richard Smart

Appendix I

Travel Industry Council of Ontario
Audited Financial Statements

TRAVEL INDUSTRY COUNCIL OF ONTARIO

FINANCIAL STATEMENTS

MARCH 31, 2015

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AUDITOR'S REPORT

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Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Registrants of the Travel Industry Council of Ontario

We have audited the accompanying financial statements of the Travel Industry Council of Ontario, which comprise the statement of financial position as at March 31, 2015 and the statement of changes in net assets, statement of operations, and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Travel Industry Council of Ontario as at March 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
May 26, 2015

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TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	2015 $	2014 $
ASSETS		
CURRENT		
Cash	2,125,090	3,946,400
Restricted cash	–	287,963
Investments - current	7,467,501	3,476,760
Prepaid expenses and deposits	79,287	68,961
TOTAL CURRENT ASSETS	9,671,878	7,780,084
INVESTMENTS	16,257,615	17,610,368
EQUIPMENT (Note 3)	166,895	173,938
TOTAL ASSETS	26,096,388	25,564,390
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	626,499	678,340
Deposits from registrants	3,142,450	2,977,648
TOTAL CURRENT LIABILITIES	3,768,949	3,655,988
LEASEHOLD INDUCEMENT	41,230	63,910
TOTAL LIABILITIES	3,810,179	3,719,898
NET ASSETS		
Restricted for the Ontario Travel Industry Compensation Fund	20,850,147	20,649,146
Invested in equipment	166,895	173,938
Unrestricted	1,269,167	1,021,408
TOTAL NET ASSETS	22,286,209	21,844,492
TOTAL LIABILITIES AND NET ASSETS	26,096,388	25,564,390

Commitments and contingencies (Note 6)

APPROVED ON BEHALF OF THE BOARD:

Signed "Michael Janigan", Chair of the Board

Signed "Jeff Element", Chair of the Audit Committee

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED MARCH 31

	Invested In Equipment	Restricted For The Ontario Travel Industry Compensation Fund	Unrestricted	2015 Total	2014 Total
Balance, beginning of year	173,938	20,649,146	1,021,408	21,844,492	25,033,655
Excess of revenues over expenses (expenses over revenues)	–	196,423	245,294	441,717	(3,189,163)
Purchase of equipment	34,957	(22,722)	(12,235)	–	–
Amortization of equipment	(42,000)	27,300	14,700	–	–
Balance, end of year	166,895	20,850,147	1,269,167	22,286,209	21,844,492

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF OPERATIONS

FOR THE YEARS ENDED MARCH 31

	2015 $	2014 $
REVENUE		
Semi-annual payments from registrants	2,395,653	1,213,336
Renewals	1,127,169	1,008,199
New registrants	307,965	291,900
Education standards fees	244,914	155,936
Investment income	667,732	521,257
Total revenue	4,743,433	3,190,628
EXPENSES		
Claims	179,821	2,192,014
Professional fees and services	7,024	52,437
Closure expenses	–	630
Total claim and closure related costs	186,845	2,245,081
Recoveries	(124,199)	(17,074)
Net claim and closure related (recoveries) costs	62,646	2,228,007
Salaries and benefits	1,880,990	1,749,529
Consumer and registrant awareness	670,060	849,057
Inspections, compliance and investigation	526,045	514,262
General and office	275,848	219,128
Ontario Government oversight fees	195,373	158,700
Rent	185,864	203,048
Board meeting expense	185,858	122,342
Computer network and support	159,799	175,231
Insurance	44,308	39,065
Professional fees	37,602	42,319
Bank charges and merchant fees	14,080	10,466
Travel	13,196	10,071
Credit checks	8,047	5,987
Amortization	42,000	52,579
Total operating expenses	4,239,070	4,151,784
Total expenses	4,301,716	6,379,791
Excess of revenues over expenses (expenses over revenues)	441,717	(3,189,163)

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO

SCHEDULE TO STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2015

	TOTAL $	COMPENSATION FUND $	TICO $
REVENUE			
Semi-annual payments from registrants	2,395,653	2,395,653	–
Renewals	1,127,169	–	1,127,169
New registrants	307,965	–	307,965
Education standard fees	244,914	159,194	85,720
Investment income	667,732	643,732	24,000
Total revenue	4,743,433	3,198,579	1,544,854
EXPENSES			
Claims	179,821	179,821	–
Professional fees and services	7,024	7,024	–
Total claim and closure related costs	186,845	186,845	–
Recoveries	(124,199)	(124,199)	–
Net claim and closure related costs	62,646	62,646	–
Salaries and benefits	1,880,990	1,222,643	658,347
Consumer and registrant awareness	670,060	435,539	234,5210
Inspections, compliance and prosecutions	526,045	526,045	–
General and office	275,848	179,301	96,547
Ontario Government oversight fees	195,373	126,992	68,381
Rent	185,864	120,812	65,052
Board meeting expense	185,858	120,808	65,050
Computer network and support	159,799	103,869	55,930
Insurance	44,308	28,800	15,508
Professional fees	37,602	24,441	13,161
Bank charges and merchant fees	14,080	9,152	4,928
Travel	13,196	8,577	4,619
Credit checks	8,047	5,231	2,816
Amortization	42,000	27,300	14,700
Total operating expenses	4,239,070	2,939,510	1,299,560
Total expenses	4,301,716	3,002,156	1,299,560
Excess of revenues over expenses	441,717	196,423	245,294

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO

SCHEDULE TO STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2014

	TOTAL $	COMPENSATION FUND $	TICO $
REVENUE			
Semi-annual payments from registrants	1,213,336	1,213,336	–
Renewals	1,008,199	–	1,008,199
New registrants	291,900	–	291,900
Education standard fees	155,936	–	155,936
Investment income	521,257	497,257	24,000
Total revenue	3,190,628	1,710,593	1,480,035
EXPENSES			
Claims	2,192,014	2,192,014	–
Closure expenses	630	630	
Professional fees and services	52,437	52,437	–
Total claim and closure related costs	2,245,081	2,245,081	–
Recoveries	(17,074)	(17,074)	–
Net claim and closure related costs	2,228,007	2,228,007	–
Salaries and benefits	1,749,529	1,137,194	612,335
Consumer and registrant awareness	849,057	551,887	297,170
Inspections, compliance and prosecutions	514,262	514,262	–
Board meeting expense	122,342	79,522	42,820
Rent	203,048	131,981	71,067
General and office	219,128	142,433	76,695
Ontario Government oversight fees	158,700	103,155	55,545
Bank charges and merchant fees	10,466	6,803	3,663
Insurance	39,065	25,392	13,673
Professional fees	42,319	27,507	14,812
Travel	10,071	6,546	3,525
Credit checks	5,987	3,892	2,095
Computer network and support	175,231	113,900	61,331
Amortization	52,579	34,176	18,403
Total operating expenses	4,151,784	2,878,650	1,273,134
Total expenses	6,379,791	5,106,657	1,273,134
Excess of (expenses over revenues) revenues over expenses	(3,189,163)	(3,396,064)	206,901

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses (expenses over revenues)	441,717	(3,189,163)
Adjustments for:		
Amortization	42,000	52,579
Unrealized gains on investments	(624,375)	(972,229)
	(140,658)	(4,108,813)
Net changes in non-cash working capital balances:		
Prepaid expenses and deposits	(10,326)	34,270
Accounts payable and accrued liabilities	(51,841)	176,958
Deposits from registrants	164,802	34,000
Leasehold inducement	(22,680)	—
	79,955	245,228
Cash flows from operating activities	(60,703)	(3,863,585)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,534,000)	(2,840,352)
Redemption of investments	3,520,387	4,823,169
Restricted cash	287,963	(2,470)
Purchase of equipment	(34,957)	(42,591)
Cash flows from investing activities	(1,760,607)	1,937,756
Change in cash	(1,821,310)	(1,925,829)
Cash, beginning of year	3,946,400	5,872,229
Cash, end of year	2,125,090	3,946,400

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS

The Travel Industry Council of Ontario ("TICO") was incorporated on April 7, 1997 as a not for profit corporation without share capital, under the laws of Ontario. TICO is designated by the Lieutenant Governor in Council, as the Administrative Authority responsible for administration of the Ontario *Travel Industry Act, 2002* (the "Act"). TICO's responsibilities are to carry out delegation of the Act in accordance with the Administrative Agreement (Note 7(a)) and to achieve the Government of Ontario's goal of maintaining a fair, safe and informed marketplace.

The Ontario Travel Industry Compensation Fund (the "Fund") is a fund established under the Ontario *Travel Industry Act, 2002* and Ontario Regulation 26/05 to reimburse consumers for travel services when they have been paid to an Ontario registrant, the travel services have not been provided and the registrant is unable to refund their money by reason of bankruptcy or insolvency. The Fund also pays for certain repatriation related expenses. Under certain conditions, the Fund also pays claims resulting from the failure of cruiselines and airlines (end suppliers) to provide travel services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those accounting policies considered particularly significant.

Equipment and Amortization:

Equipment is stated at acquisition cost. Amortization is provided as follows:

Furniture and equipment	20% diminishing balance
Computer hardware	3 years straight-line
Computer software	2 years straight-line
Database	5 years straight-line
Vehicle	30% diminishing balance

Leasehold improvements are amortized on a straight line basis over the remaining term of the lease, which expires November 30, 2018.

Revenue Recognition:

The deferral method of accounting for contributions is followed. The application of this method of accounting results in revenue in the form of semi annual payments from registrants, as well as renewals and application fees from new registrants, being recorded when received. Interest income is recorded on an accrual basis.

Claims:

Claims are recorded at the time of approval by the Board of Directors. Standard claims must be made within six months after the registrant, or end supplier becomes bankrupt, insolvent or ceases to carry on business. Trip completion claims must be made within three months after the registrant failure.

Recoveries:

Amounts recoverable to offset claims paid, including commissions recoverable from registrants, are recorded when received.

Director Directed Trip Completion Costs:

Payments for trip completion under Section 69 of the Regulation are authorized solely by the Director under the Act and are recorded when paid.

Lease Inducement:

Lease inducement is amortized on a straight line basis over the remaining term of the lease, which expires November 30, 2018.

Use of Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets and disclosure of contingent liabilities at the date of the financial statements and the reported amount and allocation of revenues and expenses during the reporting period. Actual results could differ from those reported.

Allocation of revenues and expenses

TICO's operations are funded solely by Registrants. TICO has two revenue streams namely contributions to the Compensation Fund ("Fund") and Registration fees. TICO's net assets are made up of the Fund which are restricted monies and the TICO Asset which are the unrestricted monies.

Contributions to the Fund are attributed to the Fund while Registration Fees are attributed to the TICO Asset. Investment income is allocated to both the Fund and the TICO Asset on a proportional basis.

Operational expenses are allocated between the Fund and the TICO Asset while direct Fund expenses such as claims are allocated to the Fund. The allocation of operational expenses is based on management estimates of how resources, including staff, are expended to manage the Fund and TICO's overall operations. These estimates are reviewed and updated periodically as determined by management.

Effective April 1, 2012, operational expenses have been allocated 65% to the Fund and 35% to TICO.

Investments:

Investments consist of guaranteed investment certificates and fixed income notes bearing interest at rates ranging from 1.20% to 4.32% (2014 - 1.85% to 4.30%) and with maturity dates ranging from three months to nine years from March 31, 2015 (2014 - three months to ten years from March 31, 2014). Investments are carried at market value.

Financial Instruments:

TICO initially measures its financial assets and liabilities at fair value, except for certain non arm's length transactions, of which there were none during the fiscal year. TICO subsequently measures its financial assets as follows:

- Cash and restricted cash are measured at amortized cost.
- Investments that are quoted in an active market are measured at fair value.

All of TICO's financial liabilities, comprised of accounts payable and accrued liabilities and deposits from registrants, are measured at amortized cost.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal in recognized in operations. For the fiscal years ending March 31, 2015 and 2014, there were no impairment losses.

Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

3. EQUIPMENT

	Cost	Accumulated Amortization	2015 Net	2014 Net
	$	$	$	$
Furniture & equipment	253,308	204,422	48,886	59,864
Computer hardware	103,906	97,033	6,873	14,026
Computer software	32,258	31,380	878	2,661
Database	244,416	244,416	—	—
Leasehold improvements	206,994	119,914	87,080	95,699
Vehicle	35,475	12,297	23,178	1,688
	876,357	709,462	166,895	173,938

4. RESTRICTED NET ASSETS

Article 2.01 of By law one of TICO requires that all monies held shall be used in promoting its objects. Section 52 of Ontario Regulation 26/05 enacted under the Act requires that all money in the Fund and any income on such money shall be held by TICO in trust for the benefit of claimants whose claims for compensation are approved by TICO in accordance with the Regulation. Section 73 of Ontario Regulation 26/05 provides that remuneration of advisors may be paid from the Fund.

Ontario Regulation 26/05 made under the Act restricts the maximum amount that may be reimbursed for a failure to provide travel services with respect to all claims arising out of an event or major event to $5,000,000, plus an additional $2,000,000 for trip completion costs. The Fund pays a maximum claim of $5,000 per person.

5. INCOME TAXES

As a not for profit corporation, TICO is not subject to income taxes, in accordance with Section 149(1)(l) of the Income Tax Act.

6. COMMITMENTS AND CONTINGENCIES

(a) Under terms of an Administrative Agreement entered into during January 2013 between TICO and the Ministry of Government and Consumer Services (the "MGCS"), TICO is obligated to pay a maximum annual fee for 2015, based on cost recovery to the Province of Ontario, totaling $195,373.

The MGCS may increase this annual payment above the maximum amount in any given year in accordance with the terms of the Administrative Agreement. For 2016 and subsequent fiscal years, MGCS shall determine the payment for each year and will notify TICO at least 18 months in advance of the payment being due.

(b) TICO is committed to minimum rental amounts under a long term lease for its premises which will expire November 30, 2018. Minimum rental commitments remaining under this lease approximate $374,000. Minimum rental commitments for successive years approximate the following:

2016	$ 102,000
2017	102,000
2018	102,000
2019	68,000
	$ 374,000

(c) TICO, the former Registrar of TICO and the Statutory Director of TICO under the Act are being sued by Sunrise International Travels Inc. The legal proceedings arise out of Sunrise's registration with TICO being terminated. TICO is seeking an Order dismissing the Action. No amounts have been accrued in the financial statements related to this matter as management believes the claim is without merit.

7. FINANCIAL INSTRUMENTS

Risks and Concentrations:

TICO is exposed to various risks through its financial instruments. The following analysis provides a measure of the TICO's risk exposure and concentrations at March 31, 2015.

Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. TICO is mainly exposed to interest rate risk.

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. TICO does not hedge its exposure to interest rate risk.

Fair Value:

Canadian generally accepted accounting principles require that TICO disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the date of the statement of financial position, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amount for cash and accounts payable and accrued liabilities on the statement of financial position approximate fair value because of the limited term of these instruments.

8. CAPITAL DISCLOSURES

TICO's capital is comprised of its net assets. TICO's objective in managing its capital is to remain a sustainable operation while fulfilling its overall mandate (Note 1). TICO achieves this objective by day to day management of its cash flows, and by regularly monitoring revenues and expenditures against its operating budget.

Section 72(2) of Ontario Regulation 26/05 provides that TICO may, from time to time, invest any money of the Fund that is surplus to its immediate requirements in property in which a trustee is authorized to invest, in accordance with the *Trustee Act*.

Business Plan

April 1, 2015 – March 31, 2018

In assuming the delegation from the Ontario Government for administering the *Travel Industry Act, 2002*, which governs approximately 2,500 travel retailers and wholesalers registered in Ontario, TICO established an initial agenda not just to administer its delegated responsibilities in the public interest, but also to elevate the travel industry to new levels in consumer protection, professional standards and regulatory compliance. TICO's mission, vision and values will serve as guiding principles to staff and Board members and against which all initiatives will be measured.

The 18th year Business Plan which follows, outlines:

- The specific objectives, actions and performance measures for accomplishing the agenda in an ongoing three-year planning period.
- The operating environment established to support it.

Environment

Globally, 2014 was on track for a record year with over 1 billion tourists travelling the globe, reflecting close to 5% annual growth according to the United Nations World Tourism Organization. Not surprisingly, North America represented the strongest region reflecting growth of 8%. In light of this momentum, prospects for the 2015 travel industry remain bright, including for Canada. Positive momentum is expected to continue in both Canadian leisure and business travel, with some even predicting robust business travel growth.

Recent reports on the Canadian economy surprised on the upside with overall 2014 Gross Domestic Product (GDP) growing at 2.5% exceeding government and many bank economist expectations. A number of factors contributed to this growth, not the least of which was a growth in exports which recorded the strongest performance since 1999. Low energy prices also translated into savings at the gas pumps contributing to some of the strongest consumer spending growth trends in years. Despite the adverse impact of lower employment in oil producing provinces, and the energy sector as a whole, Ontario's employment numbers have been solid and consumer confidence is riding high. Ontario's performance is consistent with strong growth in the United States, low interest rates and a relatively strong manufacturing sector which is enjoying the export benefits of a weaker Canadian dollar.

The Canadian dollar's freefall in recent months to $0.80 is almost unprecedented in modern times, and will remain volatile while investors and speculators predict the impact of global oil supply & demand, as well as the Bank of Canada's short-term monetary policy decisions. While a rising dollar makes it more affordable for Canadians consumers to travel abroad, a falling dollar encourages consumers to stay home. The slumping loonie has meant that certain input costs priced in USD (e.g. fuel, food, equipment etc.) now cost significantly more to Canadian producers. Fortunately, the slump in global oil prices has provided a significant positive offset to negative currency impacts. If the dollar remains low and the cost of international travel increases, there is a concern that it may curb some of the outbound business as consumers decide to stay home or travel within the country to stretch their vacation dollar. Of course, the reverse is true for inbound travellers to Ontario where a net improvement for local operators is not out of the question.

Competition remains intense within the industry while advancements in technology challenge the status quo. Consumers booking online directly with end-suppliers when reserving air fares and hotels remains a constant challenge to traditional agency models. Recent independent reports indicate that mobility applications have replaced the desktop as the preferred channel to travel sites. The pace of innovation over the internet is growing exponentially and the growth of new "apps" for travel solutions continues to present challenge for any regulatory model, including TICO's. Tablets and Smartphones continue to grow in usage and popularity, particularly with the younger generation. This trend has far reaching impact for agencies and tour operators in their service delivery strategies. Canadian travellers continue to be solicited by out-of-province online sellers and aggressive marketing campaigns of border-town airports offering deals on fares, parking etc. Overcapacity and fierce pricing competition make it challenging for agencies and tour operators to earn a profit, while recent changes to agency commission models adds to these agency challenges. To succeed, travel agents need to differentiate their offerings, enhance the customer experience, build brand loyalty, leverage technology including social media, improve operations and keep current with an increasing amount of information to meet consumer expectations.

The growth of the home based agent continues to re-define the competitive landscape, complicating the traditional storefront agency. TICO remains supportive of a competitive marketplace and new service delivery channels including home based agents. As the regulator, however, TICO needs to be sure that the requirements of the *Travel Industry Act, 2002* and Ontario Regulation 26/05 are being adhered to across all delivery channels. Also, TICO needs to ensure that any new risks or challenges that arise as a result of these new business models are promptly addressed so there is no risk to the consumer or travel businesses.

While registrants are constantly striving to improve their customer service, TICO continues to focus and improve its services to stakeholders. Over the next year, TICO will continue the implementation of its 3 year Business Plan focusing on advancing consumer protection legislation, registrant engagement and organizational effectiveness. We will continue to hold industry forums across the province to provide information and get feedback from registrants and their agents. TICO will continue to work collaboratively with the Ontario government in advancing opportunities aimed at enhanced and effective consumer protection. TICO's financial seminars have been well received by participants and we are planning to continue offering them for registrants who are interested in better understanding financial requirements.

Above all, TICO strives to ensure that there is a fair and informed marketplace in Ontario where consumers can be confident in their travel purchases.

Travel Industry Council of Ontario (TICO)

3 Year Business Plan - FY 2015/2016 to FY 2017/2018

This Business Plan contains forward-looking information that reflects management's current expectations related to matters such as strategic goals and priorities, projected future financial performance and operating results of the Company. Forward-looking statements are provided for the purposes of providing information about Management's current expectations and plans and allowing stakeholders and others to get a better understanding of the Company's financial position, projections and operating environment. Readers are cautioned that such information may not be appropriate for other circumstances. By their very nature, forward-looking statements require Management to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions, estimates, analyses, beliefs and opinions may not be correct and that the Company's expectations and plans will not be achieved.

TICO's three year Business Plan applies a systematic approach to delivering its mandate from the Ministry of Government and Consumer Services ("Ministry"). This approach is illustrated in the model below and forms the basis of this Business Plan. TICO's Vision/Mandate has been addressed on pages 3 and 4 of the Annual Report.

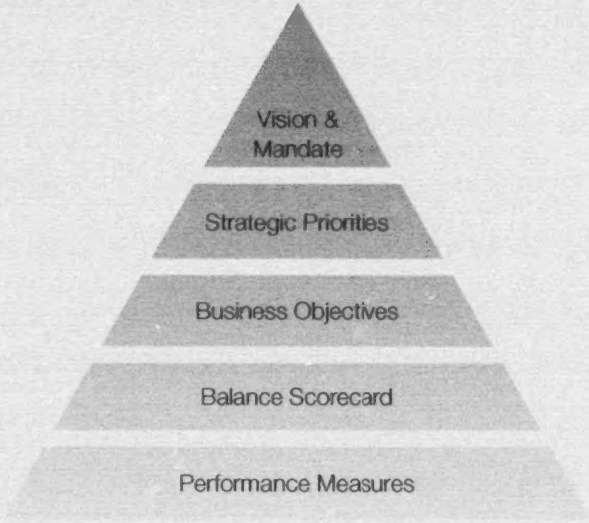
Our Commitment:

Consistent with TICO's mandate and vision, strong consumer awareness and protection for the Ontario traveller is TICO's ultimate goal. Consumer awareness, protection and tourism are important foundations for Ontario's economy, and it is therefore vital a comprehensive consumer protection framework is aligned with sound business practice across the province. While the Ontario traveller is the end consumer, TICO's Business Plan must be achieved through engaging in strong partnerships with industry ("registrants"), industry associations and the Ontario government.

This Business Plan framework is squarely aimed at addressing the key risks facing TICO in the achievement of its mandate. This framework must benefit all stakeholders, but in particular, it needs to consider the vulnerable, indebted and less informed travellers who may be at greater risk due to fraud and other circumstances beyond their control. Indeed, this focus on consumer protection is a key deliverable of the Ontario Premier's vision as described in Premier Wynne's Mandate Letter to the Honorable Minister Orazietti. Of course, it is also a requirement that a consumer protection framework be fiscally prudent and delivered in a manner that is supportive of current and emerging business models. TICO is committed to all these goals, and in evolving its own business model to meet both current demands and emerging future challenges. This Business Plan is a fiscally prudent model that delivers a balanced budget through a combination of productivity enhancements, investments in people, process and systems with minimal increases in fees, and other industry burdens, over the next three years. Our Business Plan is best illustrated in the model shown below.

Each strategy below provides a summary of four over-arching strategic priorities over the next three years. Within each priority, a number of specific initiatives have been identified. Year 1 strategic initiatives are the basis for TICO's annual Budget which is approved separately by TICO's Board of Directors. Years 2 and 3 reflect initiatives where the bulk of the investment and effort is concentrated, but which also may commence during the first year of this plan through pilot(s), planning document(s) and/or other exploratory activity. With some initiatives, the business risk may already be present and activity underway, but may also be subject to increasing threats, emerging new delivery models, technology changes or alternative solutions which are captured beyond the initial year of this business plan.

TICO's Strategic Planning Model



Strategy 1:

Consumer Protection:

Goal: To regulate and enforce the legislation by which the Ontario travelling public can be confident in their travel purchases.

The core of TICO's existence is to administer and enforce the consumer protection legislation that regulates the sale of travel services in the Province of Ontario. TICO does this by supporting its vision and values, which includes being fair, but firm in its conduct with registrants and consumers as Ontario's Travel Regulator. TICO will continue to work collaboratively with the Ontario Government to support legislative change to meet the challenges of providing effective consumer protection in a rapidly changing marketplace.

TICO will also continue to develop and improve its processes and procedures around enforcement of the legislation, which includes financial inspections and compliance activities to ensure it protects the interests of the travelling public. This includes having effective mechanisms in place for registrants, individuals or companies that choose to contravene the consumer protection laws in Ontario. An effective fee framework and policy can also serve as a means to drive compliance. This is vital to ensure a level playing field in the industry as well as maintaining and building consumer confidence.

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
Year 1	1) Enhancing compliance policy and procedures.	Leveraging risk-based decisions processes, implement improved procedures and processes through enhanced integration of Inspection and Compliance activities.	Streamline multiple registrant communications through an integrated compliance and communication procedure.
	2) Expanding TICO reach through alliances.	Enhancing communication and reach across all registrants through the establishment of new and/or expanded relationships.	Identify and establish new strategic alliances from within the industry and/or other marketing associations.
	3) Enhancing Ministry collaboration and relaticns.	Continue working collaboratively and effectively with the Ministry to enhance consumer protection legislation respecting the needs of all stakeholders.	Reach consensus on future updates to consumer protection and develop joint implementation plans.

	Initiative	Description	Target
Years 2-3	1) Implement Monetary Penalties.	In partnership with the Ministry and in consultation with stakeholders, consider the development of an administrative penalty framework to more effectively manage non-compliant registrants for lower risk violations.	Develop, consult and implement Administrative Penalty policy framework and related schedules.
	2) Implement principles based innovative fees.	Through consultation with the Ministry and stakeholders, develop an innovative Fee Framework consistent with the principles reflected in the Administrative Agreement and that drive positive consumer protection behaviors.	Deliver innovative and comprehensive fee schedule reflecting service delivery and sustainability.
	3) Exploring National Standards.	Through consultation with the Ministry, prepare a feasibility study ("White Paper") for the creation of a National Standards program for consumer protection in the travel industry.	Prepare and issue a white paper reflecting consultation with key stakeholders, including federal government.

Strategy 2:

Awareness & Education:

Goal: Consumers and registrants are aware of TICO and understand the benefits of purchasing travel services through a registered travel agency or travel wholesaler.

Consumers who purchase travel services in Ontario should be aware that the travel industry in Ontario is regulated and that there is consumer protection in place to protect their travel purchases. Each year, TICO strives to increase consumer awareness to ensure that more and more consumers are aware of the existence of TICO and the benefits of purchasing their travel services whether in person or online from registered Ontario travel agencies. The initiatives below support TICO's Mission Statement to "Promote a fair and informed marketplace where consumers can be confident in their travel purchases." TICO achieves this initiative by planning and executing a comprehensive consumer awareness campaign strategy that involves various forms of communications including traditional forms of media (radio and television), social media, speaking engagements as well as attending consumer trade shows to speak with consumers and distribute informational materials.

TICO also administers and enforces a legislated Education Standards Program which requires every travel agent selling travel services on behalf of a registered Ontario travel agency to be knowledgeable of legislated requirements that regulate the sale of travel services in Ontario. It is imperative that the knowledge and professionalism of Ontario travel agents continues to be enhanced with ongoing education to support compliance and improved consumer protection. This initiative also includes activities to promote registrant engagement in TICO's consumer awareness campaign as well as fostering relationships not only to achieve a better understanding but also to understand the challenges faced in the marketplace. Together, TICO along with its stakeholders can build a stronger industry where consumer confidence and protection is recognized as being paramount.

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
Year 1	1) Enhancing Consumer Awareness Campaign.	Each year, TICO embarks upon a series of comprehensive activities aimed at increasing the travelling public's awareness of TICO's role and the benefits of dealing with registered agencies/ wholesalers.	Improve and enhance overall TICO awareness and understanding over prior year.
	2) Driving Registrant Engagement.	Through continuous and meaningful engagement of registrants, enhanced relationships are developed and a better understanding of opportunities and challenges in the marketplace obtained.	Host registrant roundtables and seminars across multiple regions in Ontario.
	3) Improve Customer (Registrant) Value.	Identify key drivers of customer value and develop actionable plans to improve overall TICO value proposition.	Measure, monitor and develop action plans to improve customer value.
	4) Encouraging Registrant Education.	By providing ongoing and informative education regarding the Act and Regulations, registrants are better enabled to ensure compliance.	Host and introduce a new education module using both traditional and e-based mediums.

	Initiative	Description	Target
Years 2-3	1) Building Registrant Education.	Leverage technology to expand the reach and delivery of new and innovative educational experiences aimed at advancing professional credibility.	Develop a comprehensive educational module series, and make available to all registrants in all regions.
	2) Optimizing Digital Media.	Develop and implement innovative digital media strategy aimed at consumers and registrants to enhance TICO value proposition.	Fully develop and implement expanded digital media offering using various channels.

Strategy 3:

Organizational Effectiveness:

Goal: TICO embraces a spirit of continuous improvement and innovation in the systems and processes in executing its mandate and in the ongoing investment and professional development of its people.

At the heart of TICO and its operations is a dedicated group of individuals that are committed to providing service excellence by taking pride in their work to efficiently meet the needs of TICO's stakeholders. Through a strategic approach to further develop employee engagement, team building as well as professional development, TICO will continue to foster a workplace environment that is motivational and productive to support its operational effectiveness and support a sustainable workforce. Change is inevitable in today's environment, and therefore, TICO will continue to embrace change management as part of its evolving culture.

TICO's strategic priorities will include initiatives that will improve TICO's internal operating systems and processes to optimize the organization's efficiency and effectiveness as well as its quality of services. With the evolving needs and expectations of stakeholders, TICO will invest in technology to meet the increasing demands to deliver its services in a more effective and innovative manner.

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
Year 1	1) Commence Implementation of e-Commerce.	Commence implementation of online services for registrants and other stakeholders.	Implement online registration, renewal and Form 1 and e-payments for TICO services.
	2) Optimize System Integration.	Enhance integration of back-office systems and management information reporting.	Complete systems integration and enhancement of TICO's Education Standards Program.
	3) Enhance Human Resource policy, procedures and best practices.	Implement enhanced human resource processes that enable employees to grow and reach their full potential.	Implement performance management and professional development policies, systems and procedures.
	4) Drive Employee Engagement.	Develop a model based on key attributes influencing Employee Engagement.	Implement Employee Engagement survey.

	Initiative	Description	Target
Years 2-3	1) Continue Implementation of e-Commerce.	Continue implementation of online services for registrants and other stakeholders.	Complete implementation of e-commerce across all key processes.
	2) Leverage Enterprise Content Management (ECM) systems.	Commence rollout of ECM with the long-term goal of streamlining process and reducing exchange of documents between registrants and within TICO.	Select discrete processes for end-to-end (TICO to Registrant) digitization.
	3) Enhancing Business Intelligence.	Develop improved information management and a strategy to use this information to improve consumer protection and provide registrants with useful industry information.	Develop information database and enhanced reporting for operational and industry purposes.
	4) Enhancing Leadership Competencies.	Develop professional development program whereby employees can achieve career plans and enhance contribution to TICO mandate.	Develop leadership and professional competency matrix and curriculum to achieve career plans.
	5) Driving Employee Engagement.	Continue to expedite solutions aimed at eliminating any barriers to strong employee engagement.	Improved Employee Engagement survey scores.

Strategy 4:

Corporate Social Responsibility:

TICO is committed to achieving its Vision/Mandate and is confident with the strategic priorities described in its Business Plan. Complementing these strategies is a new, innovative focus on corporate social responsibility (CSR). Within TICO's environment, CSR is viewed as the organization's broader involvement in the communities it aims to protect. As a small organization, TICO must consider innovative methods, leverage partnerships and build sustainable relationships to make a footprint in these communities. While CSR has been around for many years, it has not been woven into the strategic plans of many non-for-profit organizations. TICO believes that its mandate of consumer protection will be facilitated through an effective CSR strategy, deploying the talents and passions of all TICO employees.

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
Year 1	1) Develop Corporate Social Responsibility (CSR) strategy.	Develop clear CSR strategy that encompasses the province of Ontario.	Introduce new CSR initiative(s) focusing on local communities.

	Initiative	Description	Target
Years 2-3	1) Refine Corporate Social Responsibility (CSR) policy.	Continue to enhance and build an effective CSR strategy.	Expand CSR initiatives to include communities across the province.

BALANCED SCORECARD:

New for TICO this Business Plan is a balanced scorecard. TICO will deploy this balanced scorecard throughout its fiscal year to monitor and gauge ongoing efforts and achievement of its strategic objectives. This balanced scorecard will be shared regularly with stakeholders to ensure transparency and accountability consistent with the Business Plan.

Objective	Performance Measure	FY 2015/2016	Prior Fiscal Year
AWARENESS, EDUCATION AND CONSUMER PROTECTION			
Stakeholders			
1) Enhance consumer awareness.	% of surveyed consumers aware of TICO.	Increase in % over the prior year. Conduct customer value survey.	32% of consumers surveyed indicated awareness of TICO compared to 26% in the previous year. New for FY 2015/2016.
2) Enhance registrant awareness and engagement.	Registrant outreach via roundtable meetings.	13 industry roundtables sessions throughout the province of Ontario. Conduct registrant value survey.	TICO conducted 13 roundtable sessions during 2014/2015. New for FY 2015/2016.
3) Enhanced Consumer Protection.	For claims received during the year, 70% are processed within 120 days of receipt.	Identify the percentage of claims received and approved during the year that are processed within 120 days of receipt. Identify the number of consumers assisted during the year.	Of the claims received between April 1, 2014 and March 31, 2015, 60% were processed within 120 days. A total of 179 consumers were assisted with reimbursements from Ontario's Travel Compensation Fund.
4) Enhance government collaboration and relations.	% of targeted Liaison meetings achieved.	4 of Ministry Liaison meetings held during year. Contribute/participate in government initiatives.	Attended 6 Ministry Liaison meetings during the fiscal year.

Objective	Performance Measure	FY 2015/2016	Prior Fiscal Year
ORGANIZATIONAL EFFECTIVENESS			
People (Employees)			
1) Drive Employee Engagement.	Establish baseline score (%).	Employees surveyed and baseline score determined.	New for FY 2015/2016.
2) Invest in Training & Development.	Average number of professional days achieved per employee.	5 days of targeted development days across all employees.	New for FY 2015/2016.
Systems			
1) Integrate Education Standards Program.	Complete system integration and enhancement.	Complete integration and streamlining / enhancement of education standards program.	Integration of online processes with TICO systems yet to be completed.
1) Implement E-commerce.	Allow for online registration, renewal, Form 1 and e-payments for TICO services.	By Q4 15% of applicants are using online registration process.	New for FY 2015/2016.
Finance			
1) Achieve Revenue Growth.	% budgeted revenue growth (year-over-year).	1% budgeted growth (FY 2014/2015 revenues reflect the receipt of revenues from prior fiscal year).	49% revenue growth FY 2014/2015 vs FY 2013/2014.
2) Drive Operating Efficiency.	% revenue growth less % expense growth.	2% positive leverage over three year Business Plan projections.	New for FY 2015/2016.
3) Achieve Compensation Fund requirements.	Balance > $20 million.	$20.6 million at March 31, 2016.	$20.9 million as at March 31, 2015.

Objective	Performance Measure	FY 2015/2016	Prior Fiscal Year
CORPORATE SOCIAL RESPONSIBILITY			
Community			
1) Develop Corporate Social Responsibility (CSR) Strategy.	Approved strategy document.	Strategy presented and approved by the Governance Committee of the Board of Directors.	New for FY 2015/2016.
2) Implement CSR Initial Initiative.	Initial initiative implemented.	Implementation of initial activity as supported by employees.	New for FY 2015/2016.

TICO 2020 ("Desired State")

Beyond this multi-year Business Plan, TICO is committed to a longer term vision consistent with its Mandate/Vision. Working in collaboration with its stakeholders, TICO's desired state is embodied via the model below where the consumer is the "center-focus" of all influencers.

For Ontario travellers ("consumers"), TICO envisions a marketplace that achieves:

- a regulatory framework where all travel purchases are protected;
- a regulatory framework that enables and supports an efficient travel marketplace;
- a regulatory framework that is easily understood, visible but unobtrusive; and,
- a healthy and growing travel industry providing the consumer an abundance of choice.

For TICO Registrants and the Ontario government, TICO envisions a marketplace that demonstrates:

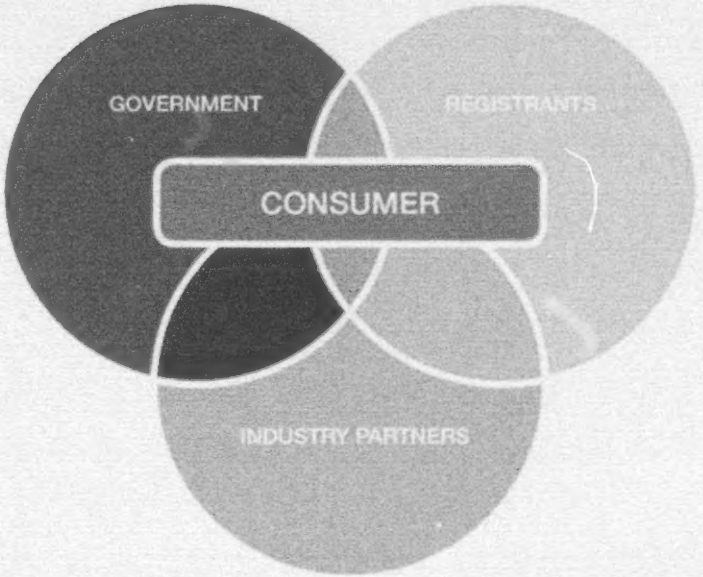
- a healthy and growing travel industry for registrants regardless of size and geography;
- a collaborative based relationship with industry that is a model to other jurisdictions;
- a value proposition which is recognized and valued by both the consumer and registrants; and,
- a regulatory framework that is both efficient and effective.

For TICO employees, we envision a marketplace whereby:

- a healthy and growing travel industry with regulations, good business practices and ethics all aligned;
- a modernized work environment, processes and procedures contribute to consumer protection and employee engagement;
- employees can grow professionally and achieve their aspirations;
- TICO is viewed as a recognized authority in consumer travel protection, as evidenced through support for a national program.

TRAVEL INDUSTRY COUNCIL OF ONTARIO
represented by it's employees

Travel Industry Act & Regulations



TICO REVENUE AND EXPENSE FORECAST

Business Plan Projections (FY 2015-2016 to 2017-2018)

		FY 2015/16 Budget	FY 2016/17 Projection	FY 2017/18 Projection
REVENUE				
Form 1 Assessments	Note 1	2,450,000	3,568,017	3,754,400
Renewals	Note 2	1,100,000	1,122,000	1,150,050
New Registrants	Note 2	320,000	326,400	334,560
Education Standards	Note 2	245,000	249,900	256,148
Other Fees	Note 2	—	66,000	135,300
Interest/Sundry	Note 2	585,000	615,000	615,000
Total Revenue		**4,700,000**	**5,947,317**	**6,245,458**
	Yr-Yr increase - $	(43,434)	1,247,317	298,141
	- %	-1%	27%	5%
OPERATING EXPENSES				
Salaries and Benefits	Note 3	1,738,650	2,042,413	2,088,367
Administration	Note 3	1,362,048	1,489,668	1,542,505
Industry Initiatives	Note 4	728,000	943,288	1,008,154
Inspection and Compliance	Note 3	613,000	648,993	663,595
Total Operating Expense		**4,441,698**	**5,124,362**	**5,302,621**
	Yr-Yr increase - $	195,602	682,664	178,259
	- %	5%	15%	3%
EXCESS OF REVENUES OVER EXPENSES		**258,302**	**822,955**	**942,837**
Compensation Fund Claims, net of recoveries		(650,000)	(650,000)	(650,000)
EXCESS OF RECEIPTS OVER PAYMENTS, NET OF CLAIMS		**(391,698)**	**172,955**	**292,837**
Compensation Fund / TICO Asset Beginning of Period		22,286,209	21,894,511	22,067,466
Compensation Fund / TICO Asset End of Period		21,894,511	22,067,466	22,360,303
Consisting of:				
Compensation Fund		20,588,464	20,725,933	20,932,867
TICO Asset		1,150,953	1,198,239	1,295,942
Capital Assets		155,094	143,294	131,494
Total		**21,894,511**	**22,067,466**	**22,360,303**

Notes:

1. Effective April 1, 2016, the Compensation Fund rate is projected to increase from $0.15 per $1,000 of retail and wholesale sales to $0.22 per $1,000 of sales, subject to industry consultation and TICO Board approval.
2. Registration and renewal fees remain at current rates. Subject to industry consultation and Fee Review, other fees include administrative fees associated with late filings and information requests.
3. Salaries and Benefits assume normal market increases and the addition of four new staff over three years related to strategic initiatives and associated investments.
4. Consumer Awareness Campaign includes projected increases of $100,000 (FY 2015/16), $200,000 (FY 2016/17) and a further $50,000 (FY 2017/18) subject to TICO Board approval.

Appendix II

TICO BOARD OF DIRECTORS 2014-2015 (as of March 31, 2015)

Industry Representatives

Ray DeNure – **Vice Chair**
CEO
DeNure Tours
Lindsay, ON

Jeff Element, CPA, CMA, CTM
President
Travel Corporation Canada
Toronto, ON

Mike Foster
President
Nexion Canada
London, ON

Louise Gardiner
Senior Director, Leisure Travel - Canada
Carlson Wagonlit Travel
Toronto, ON

Paul Samuel, CTM
Manager Overseas Travel Division
Vision 2000 Travel Group
Toronto, ON

Richard Vanderlubbe
President
Travel Superstore Inc.
Hamilton, ON

Brett Walker
General Manager, Canada
Collette Vacations
Mississauga, ON

Ministerial Appointments

Jean Hébert
Consultant
Ottawa, ON

Michael Janigan, J.D., LL.M. – **Chair**
Special Counsel, Consumer & Regulatory Affairs
Public Interest Advocacy Centre
Ottawa, ON

Patricia Jensen
Member
Consumers Council of Canada
Toronto, ON

Ian McMillan
Executive Director
Tourism Sault Ste. Marie
Sault Ste. Marie, ON

Lorraine Nowina
Toronto, ON

Board of Directors:
Left to right: Brett Walker, Ian McMillan, Mike Foster, Paul Samuel, Ray DeHaye, Louise Gardiner, Michael Janigan, Richard Smart, Richard Vanderlubbe, Patricia Jensen, Jeff Element, Lorraine Nowina, Jean Hébert

BOARD OF DIRECTOR BIOGRAPHIES

Ray DeNure

Ray is the second-generation owner of the Ontario based tour operator, DeNure Tours. In business since 1960, DeNure Tours specializes in vacation packages for the young at heart. He obtained a professional accounting designation with Touche Ross & Co prior to joining the family business in 1985. Ray has board experience with not-for-profit organizations in his hometown of Lindsay, Ontario and has been a long time board member of the Ontario Motor Coach Association where he currently serves as Vice Chair. Ray was a TICO Board member from 2001 to 2003 and now holds the OMCA Seat on the TICO Board. He is currently the Vice Chair of the TICO Board and serves on the Executive, Audit, Compensation Fund and the Selection Committees.

Jeff Element, CPA, CMA, CTM

Jeff Element is a graduate of the University of Toronto with an Honours Bachelor of Arts degree in Commerce and Economics. In 1995, he obtained his professional designation in management accounting from CMA Canada. Jeff has 20 years of Travel Industry experience. For the last 19 years, he has been employed with The Travel Corporation Group of Companies, being promoted to the role of President for the Canadian operation in 2006. He is actively involved in the travel industry, having received his Certified Travel Manager designation in 2006 and appointed to the Board of Directors for TICO in 2005 as a representative of the Canadian Association of Tour Operators.

Mike Foster

Mike Foster is President and partner of Nexion Canada, ULC. Mike started his career out of college by joining one of the area's leading travel agencies and learning a great deal working as a junior front-line travel agent. Almost 2 years later, he joined 2 silent investors and opened their first travel agency in January 1982. Together with one of the best teams of agents and managers in the industry, the business grew to become one of the country's largest independent travel agencies. That outstanding team joined with Mike in bringing Nexion Canada to life by changing the focus of the business to hosting independent contractors as Nexion Canada, a division of Travel Leaders Group. Nexion Canada is now focused on building the finest host agency business in Canada in serving agents and agency members across the country.

Louise Gardiner

Louise Gardiner is Senior Director Operations & Product Solutions North American Leisure, a member of the executive team at Carlson Wagonlit Travel and responsible for setting and implementing CWT's Leisure Travel Strategy for North America. She oversees the leisure operational execution of 150 leisure travel locations which represent over 700 employees within Canada for both the Leisure and Local Business (LLB) branches as well as the Associate Franchise Network. Louise also oversees the CWT North American Leisure Product Solutions Division.

Louise resides in Kitchener Ontario, has served as President of the Rotary Club of Kitchener (2002) and was nominated for Kitchener Waterloo Woman of the Year for her philanthropic community efforts. She continues to be involved with Rotary today as a Past President and Rotary Board Member. She currently sits on the ACTA Ontario Council and serves as Chair on TICO's Business Strategy and serves on the Audit, Compensation Fund and Complaints Committees.

Jean Hébert

Jean Hébert is a consultant in strategic planning, project management, policy development, strategic communication and positioning since 2006. He has worked for more than fifteen years at the provincial and federal level as a senior policy advisor and ministers' chief of staff in various government departments. He worked at a senior management level and special advisor to the chairman of the board of Canada Post Corporation. He also worked in the economic development, including in the tourism industry.

Mr. Hébert lives in Ottawa. He was born in Québec where he also obtained his bachelor degree in political sciences with Honors in public administration. He joined the TICO Board in 2011 as a ministerial appointee and serves on TICO's Governance and Legislative & Regulatory Review and Audit Committees.

Michael Janigan, J.D., LL.M.

Michael Janigan is the Special Counsel for Consumer and Regulatory Affairs of the Public Interest Advocacy Centre (PIAC) located in Ottawa, Canada. The Centre provides legal services and research in issues involving the delivery of important public services on behalf of Canadian consumers, and the organisations that represent them. The Centre has been in existence since 1976 and has a small staff of lawyers, researchers and administrative personnel located in Ottawa and Toronto.

The Centre has been engaged in transportation issues on behalf of the travelling public, and, as a partner with the travel industry, has engaged in advocacy in support of consumer protection and passenger rights in airline travel. PIAC has made presentations before House and Senate Committees in support of all-in price requirements for airline advertising to level the playing field with the current required practice in the travel industry.

Mr. Janigan was the Executive Director of the Centre from 1992 to 2012. Prior to joining the Centre, Mr. Janigan was a city and regional councillor representing a downtown ward in the City of Ottawa. He was elected to that position in the community where he carried on a busy litigation practice.

Mr. Janigan was born in Ottawa, and attended the University of Western Ontario, in London, Ontario where he obtained both his undergraduate degree in science and his law degree. He has also received an LL.M degree in competition law from the University of London. He has been called to the Bar of the Law Society of Upper Canada and is also a member of the State Bar of California.

Patricia Jensen

Patricia Jensen is Professor Emeritus of Ryerson University's School of Nutrition, where she taught for 31 years, and chaired the School from 1993-1998. During her Ryerson tenure, her primary academic interest was in the discipline of consumer behaviour and communications. Since retirement, she has served as a consumer advocate on a number of agencies and boards. These include: the Consumers Council of Canada; the Consumer Advisory Council of the Technical Standards and Safety Authority; and Board of Travel Industry Council of Ontario. She has also participated on research projects of the Homeowners Protection Centre, and as a member of the Expert Panel to the Home Inspector Qualification Consultation conducted by the Ministry of Consumer Services. Patricia holds degrees from University of British Columbia (BHE), University of Guelph (MSc) and University of Toronto (MBA).

Lorraine Nowina

Lorraine Nowina has been involved in the not for profit sector throughout her career. As Chair of the 11th largest school board in Canada, she worked with federal and provincial governments to provide immigrant, mental health and infrastructure supports for children and families and supported a number of community not for profit organizations as a volunteer board member.

Following an appointment as a member of the Veterans Review and Appeal Board adjudicating disability claims for Canadian Armed Service personnel, Veterans and RCMP officers, Lorraine returned to the education sector as CEO/Executive Director for the Toronto District School Board's charitable foundation, the Toronto Foundation for Student Success.

Volunteering her experience in fundraising and management to NGO's here and in Africa after her retirement, Lorraine accepted a ministerial appointment to TICO in 2014. She currently serves on the Governance, Business Strategy and Compensation Committees.

Ian McMillan

Ian McMillan has been the Executive Director of Tourism Sault Ste. Marie since 2001, working with industry partners to develop tourism products, and promote the city as a tourist destination. Prior to that, he was Executive Director of the regional Algoma Country tourism office, before moving to the Northern Tourism Marketing Corporation as Brand Manager. He is a graduate of the Humber College Public Relations Program, and holds a Certified Travel Industry Specialist designation from the tourism industry. Ian has served as President of Attractions Ontario, Chaired Cruise Ontario as part of the Great Lakes Cruise Coalition, and serves on the Northern and RTO Committees of the Ontario Tourism Marketing Partnership. Additionally he sits on the Sault College Hospitality Advisory Committee and has taught courses at Algoma University. Ian joined the TICO Board in 2015 and also sits on the Legislative and Regulatory Review Committee and the Business Strategy Committee.

Paul Samuel, CTM

Paul Samuel is Manager of the Overseas Travel Division at Vision Travel Solutions in Toronto. Paul has more than 30 years of experience in the travel industry. From junior counselor to manager and owner, Paul has witnessed the enormous changes in the industry and has first-hand knowledge of the challenges facing travel retailers in Ontario. Paul is passionate about the industry and feels that all segments of the trade should strongly promote their professionalism and experience. This is why Paul supports the mission of TICO to maintain an equitable and informed marketplace for travel in Ontario as it only serves to benefit everyone.

Elected to the Board of Directors for TICO in 2011, Paul serves on the Business Strategy, Education Standards and Complaints committees. Paul also serves on the Ontario Council of the Association of Canadian Travel Agencies (ACTA), the board of directors for Citizens for Affordable Housing (York Region) and the Tourism Advisory Committee at Seneca College.

Paul graduated from York University with a Bachelor of Arts degree in Political Science and then completed an Honours Bachelor of Commerce degree from the University of Windsor. Paul has recently completed a graduate certificate in Public Relations at Ryerson University and has obtained the Certified Travel Manager designation from Canadian Institute of Travel Counsellors.

Richard Vanderlubbe

Richard Vanderlubbe is the President and co-founder of Tripcentral.ca, a hybrid travel agency with 25 locations and a national website. Richard started in the retail travel business in 1989 with a small agency in Hamilton. Richard has held numerous positions with industry associations including Chair of the Association of Canadian Travel Agencies (ACTA) and past Chair of the Board of Directors for the Travel Industry Council of Ontario. As well as his current role as a Director on TICO's Board, he also serves on TICO's Executive Committee, Expanded Coverage Committee and is the Chair of the Legislative & Regulatory Review Committee.

Brett Walker

Brett Walker graduated from Bishop's University with a Bachelor of Arts degree in History & Political Science. In 2009 he obtained his Masters in Business Administration, specializing in Hospitality & Tourism Management from the University of Guelph's College of Management & Economics. Currently he is pursuing a Certificate in Applied Leadership from Queen's University and will graduate this Fall. He began his career in travel with Collette in 1989 as a District Sales Manager. He held successive positions as Regional Sales Manager, Operations Manager and finally in his current role as General Manager. In this role, he is responsible for Collette's strategy and oversees staff, staff; operations, policy and customer care for the company here in Canada as well as primary liaison with Collette's Global Headquarters. He also serves as Ambassador for the Collette Foundation in Canada and is actively involved with the work of recipient organizations such as Breakfast Club of Canada and Peel Children's Centre. His long tenure in the travel industry is fueled by his love of travel which inspires others to do the same. He previously served on the TICO Board as an elected member at large for the maximum term of 9 years and in 2013 rejoined the Board as an appointed member by CATO. Brett serves on the Business Strategy, Compensation Fund and Legislative & Regulatory Review Committees.

Appendix III

Statutory Appointments

Michael Pepper
Statutory Director,
Travel Industry Act, 2002

Michael Janigan
Deputy Director,
Travel Industry Act, 2002

Patricia Jensen
Deputy Director,
Travel Industry Act, 2002

Richard Smart
Statutory Registrar,
Travel Industry Act, 2002

TICO Staff (as of March 31, 2015)

President & Chief Executive Officer
Richard Smart, CPA, CA

Vice President, Operations
Dorian Werda

Legal Counsel & Corporate Secretary
Tracey McKiernan, LL.B.

Legal Counsel & Manager, Litigation
Soussanna Karas, LL.B., LL.M.

Manager, Financial Compliance
Sanja Skrbic, CPA, CA

Investigator/Provincial Offences Officer
Doug Fritz

Registration Co-ordinator
Cora Reyes

Registration Officer
Jana Arthur
Paula Oliveira

Form 1 and Claims Co-ordinator /
TICO Exam Co-ordinator
Lori Furlan

Complaints Officer
Sylvia Manuge
Cheryl Slocombe

Compliance Officer
Anabel Andre
Eric Neira
Tina Shewchuk

Financial Inspector,
Designated by the Registrar
Maria Descours, CPA, CMA
Timothy James, CPA, CGA
Vera Nedbal, CPA, CGA

Financial Inspections Clerk
Annie Tse

Bookkeeper/Accountant
Navpreet Ghai

Executive Assistant /
TICO Exam Co-ordinator
Heather Wilkins

Administrative Assistant
Susan Janko

Reception
Monique Belanger

Auditors

McGovern, Hurley, Cunningham, LLP
2005 Sheppard Avenue East, Suite 300
Toronto, Ontario M2J 5B4

BIOGRAPHY OF RICHARD SMART, CPA,CA

President & Chief Executive Officer and Registrar, *Travel Industry Act, 2002*

Richard Smart serves as President and CEO of the Travel Industry Council of Ontario (TICO), having being appointed in December 2014. Effective January 1, 2015, Richard also assumed the role of TICO Registrar for the province. He is responsible for executing TICO's strategic plans and objectives as approved by the Board of Directors, and is an ex-officio member of the Board.

Prior to his appointment, Richard was the Chief Financial Officer (CFO) of the Technical Standards and Safety Authority (TSSA) from 2009-2014. As CFO, Richard was responsible for all aspects of Finance, Audit (including Internal Audit), Risk Management, Insurance, Procurement and for a period of time Information Technology. While at TSSA, Richard gained invaluable experience in a senior leadership role interacting with the Board of Directors and Ministry of Government and Consumer Services. Richard learned and contributed to TSSA's oversight over the province's safety system for a number of important industry sectors.

Richard's private sector experience includes Chief Financial Officer roles in transportation, including AMJ Campbell Van Lines and Air Canada Vacations. The latter role provided Richard with excellent experience, specifically in the travel industry, during a challenging time of Air Canada restructuring. In addition, Richard was actively involved with the Canadian Association of Tour Operators (CATO), a founding member of TICO. Richard has also served in senior Finance roles at the Royal Bank Financial Group and Nortel, including experience in Mergers & Acquisitions, Risk Management, Controllerships and various trade associations.

Richard is Certified Professional Accountant, having earned his Chartered Accountant designation with PricewaterhouseCoopers in 1985.

BIOGRAPHY OF DORIAN WERDA

Vice President, Operations

Dorian Werda serves as the Vice President, Operations for the Travel Industry Council of Ontario (TICO). After graduating from Humber College in 1986 with a diploma in Travel and Tourism, Dorian started her career in travel at Wardair Canada assisting customers on the Help Desk in the Customer Accounting Department, where she investigated and responded to travel agent and passenger accounting queries and liaised with Wardair's Customer Relations Department. Following Canadian Airlines' takeover of Wardair, Dorian took on a new position in 1990 as Claims Supervisor for the temporary claims centre that was set up by the Ontario government after the failure of Thomson Vacations—which ultimately resulted in the largest payment of claims against Ontario's Travel Industry Compensation Fund. After supervising the temporary claims centre, Dorian continued her role as Claims Co-ordinator for the Ontario Travel Industry Compensation Fund Corporation.

In June of 1997, the Ontario government delegated the responsibility of administering Ontario's *Travel Industry Act*, including the Ontario Travel Compensation Fund, to TICO. Dorian was promoted to Manager, Administration & Claims, overseeing TICO's Claims and Consumer Complaints Departments. In 2012, she became Director, Customer Service and Stakeholder Relations and in 2014, she was promoted to the newly created position of Vice President, Operations, responsible for managing TICO's Claims, Complaints, Compliance and Investigations Departments.

In addition, Dorian writes a bi-weekly consumer travel questions column that appears in the Saturday edition of the Toronto Star Travel Section. She also chairs the Board of Trustees for the Ontario Motor Vehicle Dealers Compensation Fund, and is pursuing her CTM designation with ACTA.

BIOGRAPHY OF TRACEY MCKIERNAN, LL.B.

Legal Counsel & Corporate Secretary

Tracey McKiernan is Legal Counsel & Corporate Secretary for the Travel Industry Council of Ontario (TICO). She has been involved in the legislative and regulatory review process at TICO since 1998 leading up to the changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Ms. McKiernan received her B.A. (Honours) in Sociology from the University of Western Ontario and her LL.B. from Osgoode Hall Law School.

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